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General Report on Persia for the year 1906.

[In continuation of Confidential Paper No. 8870.]

Sir C. Spring-Rice to Sir Edward Grey.—(Received March 18.)

(No. 45.)

Sir,

Tehran, February 28, 1907.

WITH reference to my despatch No. 18 of the 29th ultimo, I have the honour to transmit herewith a series of Memoranda which have been drawn up by the members of my staff dealing with the events which have taken place in Persia since January 1906.

The following is a list of the questions dealt with :—

1. Persian Loans and Finances.
2. Reform Movement.
3. Russian Activity.
4. German Activity.
5. Roads in Persia : (1) British ; (2) Russian.
6. Frontier Disputes.
7. Telegraphs : (*a*) General Report ; (*b*) Bunder Abbas–Henjam Cable ; (*c*) Telegraph Concession on Henjam Island.
8. Navigation on the Upper Karun.
9. Karun Irrigation Scheme.
10. D'Arcy Oil Concession.
11. Sponge Exploration Syndicate
12. Petroleum Concession.
13. Caspian Sea Fisheries.
14. Tehran Water Supply.
15. Motor Cars.
16. Agitation against the Belgian Customs Administration.
17. Duty on articles imported for the official use of His Majesty's Consulates.
18. Hamalbashi at Bushire.
19. Illegal taxes in Southern Persia.
20. Embargoes.
21. Duty on articles imported for Jask Guard.
22. Parcels Post in the Persian Gulf.
23. Employment of Stamps surcharged O.H.M.S.
24. Quarantine in the Persian Gulf: (*a*) Question of Observation Post at entrance ; (*b*) other quarantine questions.
25. Outbreak of Plague in Seistan.
26. Disturbances and Attacks on Foreigners.
27. British claims against the Persian Government.
28. Ismail Yezdi Case.
29. The Bakhtiaris.
30. Bahrein.
31. Arms for Consulates at Meshed and Seistan.
32. Biographical Notes.

I have, &c.

(Signed) CECIL SPRING-RICE.

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Inclosure.

Memoranda on Events in Persia for the year 1906.

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1. *Persian Loans and Finances.*

IN the summary for 1905 a brief enumeration was given of the various attempts to raise money abroad made in that year by the Persian Government, and it was shown that in only one instance were these successful: in the case of a loan of 100,000*l.* made to the Valiahd in June by the Russians without political conditions on the occasion of the Shah's departure for Europe.

The year 1906 opened with an empty Treasury and in the beginning of January the Grand Vizier came to Mr. Grant Duff, saying that he was unable to repay to the Imperial Bank of Persia on the appointed date a sum of 700,000 tomans (roughly 140,000*l.*) which the bank had advanced beyond the legal limit of their concession. He begged for financial assistance (telegram No. 5 to Foreign Office, 6th January).

The Government of India suggested that in the event of a loan being made, the following should be the conditions demanded:—

1. Concession for a road from Bunder Abbas to Baru with exclusive rights of motor traffic.
2. Any foreign assistance required for undertakings south of a line from Khanikin to Birjand to be British.
3. Concession for the Karun irrigation.
4. Concession for the Kuh-i-Malik Siah Telegraph extension.

On the 23rd January His Majesty's Government telegraphed instructing Mr. Grant Duff to inform the Grand Vizier that they regretted that they could not comply with his request for a loan.

On the 31st January the Grand Vizier repeated his urgent request for assistance, promising that the control of any money advanced should remain in English hands. His Majesty's Government replied that they refused to reconsider their proposal to make an advance, and at the same time Sir A. Nicolson was instructed to inform the Russian Government of the Persian overtures and to state that we were willing to discuss with Russia the question of the state of the Persian finances in a friendly spirit.

On the 7th February the Grand Vizier's son assured Mr. Grant Duff that the Russians were prepared to lend a large sum, but on conditions which would reduce Persia to the level of a vassal State, and which she was not prepared to accept. In these circumstances the Persian Government signified their willingness to accept a loan of 150,000*l.* on the conditions offered by His Majesty's Government in July 1905, namely: (1) the official recognition by the Persian Government of the interpretation placed by His Majesty's Government on the phrase "the Customs of Fars and the Persian Gulf"; and (2) that all railway construction in South Persia, including Seistan, be carried out, in so far as foreign assistance is required, under the auspices of His Majesty's Government.

The Persian Government were informed that this offer was no longer open and that His Majesty's Government were not disposed to renew it.

Rumours became rife in May as to the imminence of a German loan. It was said that the loan had been arranged with the German Ambassador at Constantinople by M. Naus during his visit to that capital, that it was to be made under the cover of Belgian financiers and that the conditions were to include a coaling station near the mouth of the Shatt-el-Arab and a road concession from Khanikin to Kermanshah. This was denied by M. Naus.

In July, Sir A. Hardinge telegraphed from Brussels that M. Naus had invited M. Ampain, a well-known Belgian capitalist, to advance 2,000,000*l.*, guaranteed on the Customs and with the authorization of the Russian Government, which M. Naus professed to be able to obtain. The Russians, in their turn, denied all knowledge of any such arrangement.

Another rumour of a German loan induced the Russian Government in September to press forward the negotiations for an immediate Anglo-Russian advance. In this case the Germans were said to be about to advance 800,000*l.* unconditionally and 2,500,000*l.* with guarantees, the conditions to include the establishment of a German

Bank. About the same time a rumour reached His Majesty's Legation from Mohammerah to the effect that the Germans were in treaty for the Karun irrigation scheme, which was to be handed over to them in consideration of a loan of 3,000,000 tomans (about 600,000*l.*)

Meanwhile, in the middle of August, Persia had made another urgent appeal to Russia for a loan, and had ceded to her the control of the Meshed–Seistan line. It was not till the beginning of September that Russia informed His Majesty's Government of the Persian application.

His Majesty's Government replied that they would be willing to participate in a joint advance to meet immediate necessities, but that a proper loan had better be deferred till the accession of a new Shah which seemed imminent.

Negotiations then began at St. Petersburgh. The whole question, in so far as the Tehran Legation was concerned, has been fully dealt with in Sir C. Spring-Rice's despatches Nos. 280, 290, and 294 of 1906, and only a brief reference to the chief features of the negotiations need be made here.

His Majesty's Government proposed, in addition to a guarantee similar to that for her previous loans, to demand from the Persian Government, an undertaking that Concessions for railways, roads, or telegraphs should not be given to any Power except Great Britain to the east of a line drawn from Bunder Abbas to Birjand. Russia was to indicate in the north and west, a sphere to correspond to ours in the south and east, and the intervening country was to be open to all comers.

This proposal was not enthusiastically received by the Russian Government, and was eventually dropped.

Further difficulties arose as to the rate of interest, date of repayment, and the wording of the security clause in the British contract. Russia regarded the advance (which had been fixed at 400,000*l.*, to be paid down in two moieties) as a purely temporary measure, and wished to exact repayment in the spring of 1907, with the object, it was conjectured, of forcing Persia to accept a large foreign loan on any terms. It was said that Mr. Naus was privy to these manœuvres, and hoped that the eventual loan would take the form of the Russo-Belgian arrangement already referred to, according to which part of the money advanced was to be devoted to the reorganization of the internal taxation, which Mr. Naus hoped would be intrusted to him.

A compromise as to the rate of interest and term of repayment of the advance was eventually arrived at, and in the beginning of November the contracts were drawn up ready for signature.

By the terms of the arrangement the Persian Government was to make formal application for the money, specifying the purposes for which it was to be used. But a strong popular agitation had, meanwhile, arisen against the advance, and the Grand Vizier did not dare to sign the necessary papers.

The Russian Bank in Tehran advocated that the money should be handed secretly to the Grand Vizier, but the Russian and British Ministers agreed that the Persian Govern- would represent that they had been forced into accepting it, and all the odium would fall on the two Legations. Such action would, moreover, constitute direct interference in internal politics, which both Legations were pledged to avoid.

The money, therefore, still lies at the disposal of the Persian Government.

The following is believed to be a correct statement of the present indebtedness of the Persian Government, though the amounts due to the Russian Bank cannot be ascertained with certainty:—

	£
1. Russian loan of 1900, 22,500,000 roubles at 5 per cent.	2,370,000
2. Imperial Bank of Persia's loan of 1901, 1,000,000 tomans, since increased to 1,255,000 tomans at 12 per cent	251,000
3. Russian loan of 1902, 10,000,000 roubles at 5 per cent.	1,063,000
4. Imperial Bank of Persia's loan of 1903–1904, 300,000*l.*, of which 27,979*l.* has since been paid off, at 5 per cent.	272,021
5. Advances in current account by Imperial Bank of Persia at 12 per cent. . (This is exclusive of debts by the Shah-as-Valiahd, which amount to about another 25,000*l.*)	161,000 (about)
6. Advances in current account by the Russian Bank, believed to be at 12 per cent. .. .. (The debts of the Shah-as-Valiahd are believed to amount to at least another 150,000*l.*)	600,000 (about)

The Imperial Bank of Persia's loan of 1901 and the advances in current account are secured on the customs of Fars and the Persian Gulf.

The Imperial Bank of Persia's loan 1903–4 is secured on the Royalties of the Caspian fisheries, the posts and telegraphs, and as a last resource on the Southern customs as above.

The Russian loans, and presumably the advances in current account are secured on the customs, with the exception of those of Fars and the Persian Gulf.

It is believed that the annuities for the repayment of the Russian loans have been paid up to date.

The inclosed Table shows the amortization scheme for the Imperial Bank of Persia's loan of 1903–4.

290,000*l.*, payable in twenty yearly instalments, all equal; interest 5 per cent.

Instalment equal 23,270*l.* 7*s.* Twenty instalments equals 465,407*l.*

	£
Principal..	290,000
Interest	175,407
Total	465,407

	Interest.			Principal.		
	£	s.	d.	£	s.	d.
1st instalment (due the 4th April, 1905) ..	14,500	0	0	8,770	7	0
2nd ,, ...	14,061	9	7	9,208	17	5
3rd ,, ...	13,601	0	9	9,669	6	3
4th ,, ...	13,117	11	5	10,152	15	7
5th ,, ...	12,609	18	8	10,660	8	4
6th ,, ...	12,076	18	3	11,193	8	9
7th ,, ...	11,517	4	10	11,753	2	2
8th ,, ...	10,929	11	8	12,340	15	4
9th ,, ...	10,312	10	11	12,957	16	1
10th ,, ...	9,664	13	2	13,605	13	10
11th ,, ...	8,984	7	5	14,285	19	7
12th ,, ...	8,270	1	6	15,000	5	6
13th ,, ...	7,520	1	2	15,750	5	10
14th ,, ...	6,732	10	11	16,537	16	1
15th ,, ...	5,905	13	7	17,364	13	11
16th ,, ...	5,037	8	10	18,232	18	2
17th ,, ...	4,125	15	6	19,144	11	6
18th ,, ...	3,168	10	11	20,101	16	1
19th ,, ...	2,163	9	2	21,106	17	10
20th ,, ...	1,108	2	3	22,162	4	9
Total	175,407	0	0	290,000	0	0

2. *Reform Movement in Persia*, 1906.

The disturbances which occurred in Tehran in December 1905 and culminated in the grant of certain Concessions by the Shah and the subsequent return of the Mujtcheds from Shah Abdul Azim, was followed by a lull which was probably due to the distribution of bribes among the clergy by the Grand Vizier. The Government took practically no steps to fulfil its engagements to the people beyond the nomination of a Commission in March to consider the drawing up of a code of Laws and the calling of a meeting of Ministers and Courtiers in April at which Ehtesham-es-Sultaneh, Persian Minister in Berlin and Delegate on the Turco-Persian Frontier Commission, strongly urged the immediate necessity of serious reforms, including some form of constitutional Government. The month of Moharrem passed quietly, but at the end of the spring the Mollahs again commenced to preach inflammatory sermons in the Mosques against the Grand Vizier.

A pretext was at length furnished for a renewed outbreak of the disturbances of the past year by a serious incident which occurred on the 11th July. A crowd of students and Mollahs attempted to rescue a well-known preacher who had been arrested by order of the Grand Vizier, and in the fight which ensued, a Seyyed was shot by the troops. The body was at once taken to the Mosque and the principal Mujtcheds with a large following proceeded thither in winding sheets. They sent a petition to the Shah demanding the dismissal of the Grand Vizier, which His Majesty declined to consider. Two days later another incident took place which greatly aggravated the situation. The soldiers in attempting to prevent the passage of a procession through the bazaars, fired on the crowd, killing about a dozen people, amongst whom were several Seyyeds. As the Mujtcheds refused to leave the Mesjid Juma, troops were stationed round it and no one was permitted to enter it. On the 16th July the principal clergy left the city, stating that they were going to the Holy Places (Nejef and Kerbela) to protest against the action of the Government, and reached Kum, about 90 miles from the capital, where they halted. Seyyed Abdullah, the principal Mujtched, had just before these events applied to His Majesty's Legation for assistance, but was informed by His Majesty's Chargé d'Affaires that he could in no way support a movement directed against the Persian Government.

On the 19th July some thirty or forty representatives of the mercantile and clerical classes took "bast" at the British Legation. Though warned by Mr. Grant Duff, the Persian Government did nothing to prevent them doing so and from the 21st to the 29th July their numbers increased from 700 to 12,000, while on the 2nd August the heads of the guilds stated that there were about 14,000 persons in the Legation. The behaviour of the refugees, who consisted chiefly of the small retail merchants and a large proportion of religious students, was exemplary throughout and owing to the excellent organization of the different guilds there was no difficulty in keeping order. There was no very well-known person among them and it is probable that they received advice from men of education and enlightenment, such as Sani-ed-Dowleh, as to what concessions they should ask for.

They at once formulated their demands, which His Majesty's Chargé d'Affaires communicated to the Government, at the same time urging them to take immediate measures to find a satisfactory solution of the situation. A week passed in fruitless negotiations between representatives of the Government and the leaders of the refugees. The latter seized the opportunity of demanding reforms of the most radical nature, including a Representative body and Courts of Justice. They further insisted on the dismissal of the Atabeg-i-Azam, the return of the Mujtcheds from Kum, the punishment of the persons who shot the Seyyeds in the recent riots and the return of political exiles. It was at first thought that the dismissal of the Grand Vizier would be sufficient satisfaction, but though this might have been the case had immediate measures been taken, the dilatory manner in which the Government dealt with the popular demands caused the movement to assume more serious proportions.

On the 28th July the Mushir-ed-Dowleh, the Foreign Minister, was deputed by the Shah to proceed to Kum in order to induce the Mujtcheds to return. On the following day, however, the Grand Vizier, learning that he could not depend on the troops who were threatening to join the refugees, sent in his resignation, which was accepted by the Shah and left the city. The Mushir-ed-Dowleh was appointed his successor and at once sent the head of the Kajar tribe, Azad-ul-Mulk, to treat with the Mujtcheds at Kum.

After lengthy negotiations a rescript was at length drawn up to which the people agreed. It granted the following concessions:—

1. The institution of a National Assembly composed of Princes, clergy, members of the Kajar tribe, nobles, landed proprietors, merchants, and trade guilds.
2. The right of the Assembly to assist the Shah's Ministers in introducing reforms.
3. The immediate drawing up of Regulations for the Assembly in consultation with the Representatives.
4. The enforcement of ecclesiastical laws.

A separate rescript, already issued, promised—

1. The return of the chief priests from Kum;
2. The indemnification of the relatives of the persons killed in the recent riots;
3. The return of political exiles; and
4. An amnesty to all who had taken refuge at His Majesty's Legation.

The rescript was signed by the Shah on the 9th August, and on the following day the majority of the refugees left the grounds of the Legation. The Mujtcheds immediately returned from Kum, and the first meeting of the Assembly took place a week later.

Some difficulty was experienced in drawing up the election regulations, owing to the influence of the reactionary party at Court over the Shah, who, however, after

certain modifications, signed the regulations at the commencement of September, as drafted by the mercantile community. The chief points were as follows:—

1. General elections to take place throughout the country by vote.
2. The Tehran district to elect 64 members, of whom 4 should represent the Princes and Kajars, 4 the clergy, 4 the nobles, 10 the merchants, and 32 the trade guilds.
3. The provinces to elect from 6 to 12 members each (Azerbaijan, Khorassan and Fars 12 each, and the remainder 6 each). Total number of members about 160.

There were disturbances throughout the country in sympathy with the agitation at Tehran, and more especially at Tabriz and Resht, where in September a large number of malcontents resorted to the premises of the British Representative. The Valiahd was compelled to endorse the Shah's rescript granting the Constitution, upon which the refugees left His Majesty's Consulate-General. In October the people of Tabriz and Meshed threatened to take "bast" at the British Consulate-General on account of the non-publication of the election edict and other grievances. Owing to the disencouraging attitude of His Majesty's Representatives, the movements collapsed. At Tabriz, Isfahan, and Resht "Enjumen" or local committees have been formed which, though nominally associated with the Assembly, act quite independently, and exercise considerable influence on the local administration. The Persian subjects in the Caucasus, to show their adherence to the popular cause, have formed a secret society called the "Fedavis" (Sacrificers), which seems to resemble the ancient body of Assassins in its anarchical and bloodthirsty professions.

The Assembly was formally opened on the 7th October by the Shah, who received the Tehran Deputies at the Palace, and on the following day the first sitting was held, though only the Tehran members were present, the provincial elections not having yet taken place. The Sani-ed-Dowleh, who was educated at Berlin, and has held several high Government offices, was elected President, while Haji Amin-us-Zarb, a prominent merchant, was elected one of the Vice-Presidents. Saad-ed-Dowleh, who was Minister of Commerce, and exiled to Yezd for his political views, returned to Tehran in November, and taking his seat as member of the Assembly, has become the leader of the Opposition. He is an inveterate enemy of M. Naus, and will do all he can to overthrow the Belgian Administration. At present the meetings of the sixty-four Tehran members are of the nature of an informal gathering, at which the principal Mujteheds and other persons who are not members are present, giving their views and frequently interfering in the proceedings.

The principal subjects of discussion at first were the constitution and the financial situation. The Assembly gave the Grand Vizier to understand that no loans, internal or foreign, could be contracted without their approval, and the Mushir-ed-Dowleh has in consequence not dared to accept the proposed Anglo-Russian advance. A scheme has been formed to establish a Persian National Bank. Subscription lists have been opened, and a considerable sum has been subscribed, though it is very doubtful if the Bank will ever come into existence.

The British and Russian Legations have assured the Assembly of their neutrality, and at a recent interview informed Amir Bahadur Jang, the Minister of the Court and leader of the Reactionary party, that they could in no way support him against the Reform movement. Some apprehension was felt as to the attitude of the Valiahd on his arrival at Tehran, but this was in some degree dissipated, when one of the principal Mujteheds read a letter from his Imperial Highness, in which he positively denied that he was in any way opposed to the pepular party. His language to a deputation of members who waited on him when he reached the capital, was very conciliatory, and on his being appointed Regent, he nominated a Committee to represent the Government and discuss the question of the Constitution with a Committee appointed by the Assembly.

An agreement was come to on this subject, and was communicated to the Assembly. When, however, it was announced that there would be an upper house, of which the Government would nominate the majority, the President was accused by the adherents of Saad-ed-Dowleh of supporting the Government, and a noisy scene ensued, during which Sani-ed-Dowleh tendered his resignation and left the house. He was induced to reconsider his decision, and a compromise was at length arrived at. On the 1st January 1907, the Sadr Azam came to the Assembly and read the Constitution, which had been signed by the Shah, the Valiahd and himself, before them amidst the greatest enthusiasm.

Its principal provisions are as follows:—

The Lower House to be composed of 162 members, who can be increased to 200 if necessary.

2. Members to be elected for two years to commence from the date on which all provincial members have reached the capital. General Elections to take place every two years.
3. All financial measures must receive the approval of the Assembly.
4. The sale or transfer of Government properties, formation of companies, loans, concessions for railways or roads must receive the sanction of the Assembly.
5. The Assembly can only be dissolved if two-thirds of the Senate vote for its dissolution, and their decision is confirmed by the Government. The Shah will then dissolve the Assembly and order a General Election.

The Senate to be composed of 60 members, of whom 30 are to be appointed by the Government and 30 elected by the nation. The Government and the nation will each appoint 15 members from Tehran and 15 from the Provinces.

2. Affairs of State to be referred to both houses. The Budget to be first discussed and approved by the Assembly, and then referred to the Senate, who may make amendments, which the Assembly may either accept or reject.
3. Should a proposal of the Government be approved by the Senate, but rejected by the Assembly, the matter will be referred to a third body, composed of an equal number of members of both houses. Should the decision of this body be rejected by the Assembly, the matter will be referred to the Sovereign, who may recommend that it be reconsidered.

In a separate document the Valiahd undertook not to dissolve the National Assembly for the first two years.

3. *Russian Activity in Persia in* 1906.

In the "Summary of events in Persia in 1905" it was remarked that Russia's troubles at home and in the Far East had rendered her position in Persia difficult, but had in no way modified her activity in that country. The same may be said of 1906, and it may be added that popular resentment at Russian domination in North Persia has greatly increased. Anti-Russian disturbances have occurred at Tabriz in connection with the Julfa road concession, and at Resht resistance to the Russian interpretation of the Caspian Fishery Concession has resulted in popular disorders, while the successful efforts of the Reform party to prevent the conclusion of the joint Anglo-Russian advance were undoubtedly largely due to anti-Russian sentiment.

Nor have the Persian Government, as far as can be judged, shown any proof of their former complaisance or terrified subservience to Russian demands. The claim for compensation for the losses suffered by Russian merchants in the Moharrem riots at Meshed in 1905 has been successfully resisted, and it is currently reported that the Russian Legation has found great difficulty in getting its many other claims attended to.

The only signal Russian triumph of the year has been the acquisition of the long-waited-for control of the Meshed-Seistan telegraph line, and the circumstances in which this was secured would seem to point to a miscalculated bid for Russian favour on the part of the Persian Government rather than to any compliance to pressure.

The circumstances of the final "deal" may be, perhaps, best gathered by reference to the following correspondence:—

1. On the 30th August Mr. Grant Duff telegraphed to His Majesty's Government that the control of the Meshed-Seistan line was being handed over to the Russians (see his telegrams Nos. 226 and 227).
2. On the 2nd September Mr. Grant Duff telegraphed to His Majesty's Government that the Persian Government had, a fortnight before, applied to Russia for a loan, and that negotiations were proceeding at St. Petersburg.
3. On the 5th September a telegram from St. Petersburg was repeated to Tehran in which Sir A. Nicholson stated that the Russian Minister for Foreign Affairs (Russia having meanwhile secured the control of the line) had informed him of the Persian application for a loan, and had protested his unwillingness to proceed any further in the matter without the knowledge of His Majesty's Government.

The Russian Minister for Foreign Affairs, on being taxed with having seriously altered the *status quo* during the progress of our negotiations, at first professed entire ignorance of the question of the line, and then represented the Russian action as a purely technical matter.

A brief survey of the previous history of the question may be of some interest in this connection:—

1. The construction of a Russian telegraph line from Meshed along the Afghan frontier to Seistan, as compensation for the grant to us of the Central Persian line, formed one of the original demands put forward by Russia in her loan negotiations in 1902 (see Sir A. Hardinge's Despatch Separate and Confidential of the 23rd December, 1905).

2. The demand was modified, under pressure of the fear of a loan from English sources, to a promise that the line should be constructed and worked by the Persian Government out of the proceeds of the Russian loan, and a verbal promise was at the same time given by the Shah that the services of Russian signallers should be employed upon it by the Persian Ministry of Telegraphs, and that its Seistan end should not be connected with the Central Persian or Indian telegraphic systems (thus barring the construction of the so-called Kuh-i-Malik Siah extension, so ardently desired by the Government of India).

3. The line was constructed by the Persian Government, with Russian assistance and with money provided from the Russian loan, and the Russian Legation entered on a long struggle to secure the fulfilment of the Shah's verbal promise to permit the stationing of Russian signallers upon it.

4. The Shah, on the eve of his departure for Europe in the spring of 1905, hoping to secure a good reception in St. Petersburgh, conceded the "temporary" appointment of Russian signallers.

5. The "temporary" character of their appointment and the plea that negotiations for their removal would be vitiated, furnished an excuse to the Persian Government for refusing to recognize our right to appoint an equal number of signallers and for playing with our demand for a concession to construct the Kuh-i-Malik Siah extension.

6. The Russian Legation now began a campaign for the complete control of the line, and in the autumn of 1905 the Conseiller, proceeding to Meshed on business in connection with the Moharrem riots, had special instructions to do his utmost to attain this end (see Sir A. Hardinge's despatch No. 200, Confidential, of the 9th September, 1905).

7. In August 1906 the Persian Government permitted the Meshed end of the line to be moved into the Russian office, but assured His Majesty's Legation that no other change would be made, and, above all, that control of the Seistan end would not be given to the Russians.

8. In September 1906 the Seistan end was moved into the Russian office.

Both ends of the line are now in Russian hands, and the Russians can give or withhold communication to the Persian and British offices; there are thirteen Russian signallers stationed at various points on the line, which runs parallel to and at no great distance from the Afghan frontier; there is a Russian repairing party consisting of two inspectors and six mechanics, and the Persian gholams engaged in the maintenance of the line are in Russian pay.

9. At the suggestion of the Government of India, the Russian Government were invited to exchange the Meshed–Seistan line for the Tehran–Meshed line, which is to some extent under the control of the Government of India.

The Russian Government replied with the following counter-proposals:—

(*a*.) Russia to retain control of the Meshed–Seistan line, but to substitute Persian gholams for the Russian surveyors.

(*b*.) Russia to put up new posts, obtaining the wood from a cypress forest in the neighbourhood of the line, for the monopoly of which she had already applied to the Persian Government. (His Majesty's Legation has not yet been able to discover the whereabouts of this forest.)

(*c*.) The English to have a separate wire of their own.

(*d*.) Russia to withdraw all opposition to the construction of the Kuh-i-Malik Siah extension.

Negotiations are still proceeding.

10. Since the above was written, the Minister of Telegraphs has declared to His Majesty's Minister that about October a "destkhatt" of the Shah was shown to him by the Grand Vizier, ceding both ends of the line to the Russians and that he therefore withdrew further opposition to the control of the Seistan end which the Russians had established by force.

If this be true, this second "destkhatt" must have been issued since the present Grand Vizier came into power. The first "destkhatt" was dated about June, and applied only to the Meshed end of the line. In showing it to the Legation, the Grand Vizier was very careful to repudiate all responsibility for it, pointing out that it dated from the time of his predecessor.

The following is a list of the correspondence with the Foreign Office on this question:—

	No.	Date.
Telegram to Foreign Office	149	November 18, 1903.
" " "	158	December 20, "
" " "	167	" 28, "
" " "	169	" 28, "
" from Foreign Office	119	" 29, "
" to Foreign Office	171	" 30, "
" " "	172	" 31, "
Despatch " "	49	March 23, 1904.
" " "	145	August 14, "
" " "	169	September 7, "
Telegram " "	116	October 27, "
Despatch " "	34	February 23, 1905.
" " "	60	March 21, "
" from Foreign Office	77	May 13, "
Telegram to Foreign Office	68	" 22, "
Despatch " "	116	" 24, "
" " "	127	June 10, "
Telegram " "	80	" 23, "
Despatch " "	150	July 16, "
" from Foreign Office	110	" 29, "
" to Foreign Office	175	August 14, "
" " "	194	September 8, "
" " "	200	" 9, "
Telegram " "	170	December 9, "
Despatch, Sir A. Hardinge (Separate and Confidential)	..	" 23, "
Telegram from Foreign Office	99	" 30, "
Despatch to Foreign Office	34	February 2, 1906.
Telegram " "	158	June 12, "
" " "	160	" 14, "
Despatch " "	161	" 20, "
" from Foreign Office	108	July 18, "
" to Foreign Office	195	" 19, "
Telegram " "	225	August 29, "
" " "	226	" 30, "
" " "	227	September 1, "
" " "	229	" 2, "
" from Foreign Office	133	" 10, "
" " "	135	" 12, "
" " "	136	" 12, "
" " "	137	" 12, "
" " "	140	" 12, "
" to Foreign Office	240	" 12, "
Despatch " "	239	" 13, "
Telegram " "	245 247	" 14, "
" from Foreign Office	146	" 18, "
" " "	152	" 22, "
" to Foreign Office	237	" 24, "
" " "	265	" 29, "
" from Foreign Office	164	October 2, "
" " "	171	" 4, "
" " "	175	" 9, "
" " "	176	" 11, "
" " "	177	" 11, "
Despatch to Foreign Office	281	" 12, "
Telegram " "	297	" 21, "
" " "	322	November 1, "
" " "	336	" 12, "
" " "	350	" 26, "
" from Foreign Office	209	December 3, "
Despatch to Foreign Office	292	" 6, "
Telegram " "	374	" 23, "

II. Russia has established a Consulate at Bunder Abbas, and nominated as her Representative there M. Ovseenko, who was formerly Russian Consul in Seistan, and is chiefly known to this Legation as the reputed author of violent attacks on the Seistan Arbitration Commission in the native press and the "Trans-Caspian Review."

Russian Consular Agents have been appointed at Khorremabad and Kasri Shirin.

III. In March the Russian Bank, with the assistance of certain Tabreez merchants, engineered a run on the Imperial Bank of Persia, in Tehran and other towns, but the Imperial Bank was not greatly inconvenienced.

IV. It was believed locally that the Russian Consulate in Seistan was implicated in the attacks on His Majesty's Consulate at that place, but this has never been proved.

V. After the Shah had made his peace with the refugees in His Majesty's Legation, with the unwilling co-operation of His Majesty's Chargé d'Affaires, which was forced upon him by both parties in the dispute, the Russian Consul at Kermanshah wrote to the Governor of that place saying that he was instructed by his Minister to state that the peaceable conclusion of the affair was solely due to the Russian Legation.

A similar report was seduously spread by the Russian Consul-General at Tabreez, but obtained little credence.

VI. The outbreak of plague in Seistan caused Russian activity throughout Eastern Persia. The Russian attempt to establish a military cordon was defeated by the appointment of a doctor from India with Consular rank to Birjand, and by prompt measures to take a full share in all quarantine arrangements, including the dispatch of several doctors and hospital assistants from India.

The Russian demand to control the cordon was stoutly resisted by the Persian Government, and the Russians had to content themselves with sending men from the Cossack brigade in Tehran under Persian officers.

The extent of Russian intrigue in this matter is difficult to estimate, for certain of the Belgian Customs officials participated. For instance, a report that plague was rife in Afghanistan emanated from the Customs, but was believed locally to have a Russian origin.

The Cossacks sent to Seistan from Tehran after the attack on His Majesty's Consulate at the former place, were diverted in order to establish observation posts at various points on the Afghan frontier, causing considerable agitation among the border Afghans. More than one frontier question has arisen during the year, and a suspicious telegram from the Acting Governor of Seistan to the Persian Government came into the hands of His Majesty's Legation. In it the Governor warned the Persian Foreign Office that His Majesty's Government were doing their utmost to raise the question of the delimitation of that portion of the frontier which still remains undelimitated, and were inciting the Afghans to make raids with that object in view.

VII. The Valiahd, on his departure from Tabreez for the capital, in the beginning of December, was supplied by the Russians with money, arms, and ammunition, and accompanied by a Russian Cossack officer. Further sums are believed to have been advanced to him by the Russian Bank since his arrival.

On the eve of His Imperial Highness' departure His Majesty's Consul-General, acting in accordance with his instructions to work in concert with his Russian colleague, wrote to the latter to ask whether he intended to accompany the Valiahd. No answer was vouchsafed to his letter. He discovered that the Russian Consul-General was making preparations for the journey. The matter was only put right on application to the Russian Legation in Tehran, the Russian Minister telegraphing explicit instructions to his Consul-General to remain at Tabreez.

VIII. In December a Russian steamer defied the authority of the British Quarantine Administration at Lingah and Bunder Abbas; the Russian Consul at the latter place, M. Ovseenko (see above, under II), openly supporting the action of the captain of the vessel.

4. *German Activity.*

The constant visits paid to the German Embassy by M. Naus during his stay at Constantinople last winter for the purpose of negotiating a Commercial Treaty with Turkey, and his subsequent short visit to Berlin, were the earliest signs in 1906 of German interest in Persia. This was followed quickly by the appointment of M. Stemrich, German Consul-General at Constantinople, to the Legation at Tehran, and the fact that a few years earlier he had made an exhaustive study of the Bagdad

Railway in its commercial aspects was naturally taken as indicating that the promoters of that undertaking were contemplating the possibility of extending the system into Persia, and this impression has been subsequently strengthened by the establishment of a German bank in Tehran under the auspices of the German financial institutions closely connected with the Bagdad Railway, *i.e.*, the Dresdner Bank and Orient Bank of Constantinople. M. Stemrich, however, did not actually take up his new post till October, and meantime Baron Richthofen, the German Chargé d'Affaires, was giving a remarkable, if not always discreet, display of German self-assertion. In these circumstances, various rumours naturally arose of German financial and political designs in Persia, of which the following are the most noticeable.

Early in May information from a usually well-informed source reached His Majesty's Legation that a German Syndicate, under cover of a Belgian financier, was prepared to make a loan of 25,000,000 marks (1,250,000*l.*) to the Persian Government on the following conditions :—

1. Grant of a coaling station near the mouth of the Shatt-el-Arab.
2. A road concession from Khanikin to Kermanshah.
3. Establishment of a hospital and college at Tehran under German management.

It is impossible to say whether there was any truth in the report, but it receives some colour from the fact that in June M. Naus invited M. Ampain, a well-known Belgian capitalist, to negotiate a Persian loan of 2,000,000*l.* of which a part might well have been found in Germany (see Memorandum No. 1).

About the same time the Tehran Director of the Indo-European Telegraph Company informed Mr. Grant Duff that his board had reason to believe that the German Government had designs on the Tehran–Khanikin line, and it was in consequence of this that the Agreement of the 14th June between the Company and the Persian Government was concluded providing for an eventual retrocession of the line to the Company. (See Memorandum No. 7 A).

At one time also there appeared to be grounds for believing that the Dutch scheme for the Karun irrigation project might be receiving financial backing in Germany; but subsequent events have shown that, so far from there being any co-operation between German and Dutch groups, the German Legation is working energetically, if secret, to secure the concession for a German Syndicate.

Lastly, in the course of the summer, Baron Richthofen sounded Mr. Grant Duff as to the possibility of acquiring a concession for a road from Bushire tn the north.

But leaving mere rumours aside, the tangible evidences of German activity are sufficiently striking. They are briefly as follows :—

1. The establishment of a service of steamers of the Hamburg–Amerika line to Mohammerah. The service is a monthly one, and the vessels call at Antwerp, Aden, Muscat, and most of the ports of the Persian Gulf. Mr. Ter Meulen is, as till the end of 1906, the Company's chief agent in Persia, and there are sub-agencies at Muscat, Bunder Abbas, Bushire, and Mohammerah. Just before the arrival of the first steamer, the "Canadia," Captain Wehr, a commander in the employment of the Hamburg–Amerika Company, made a tour in the Gulf, nominally to ascertain where safe anchorages were to be found. He took rough soundings at Debai, Shargah, and Ajman on the Trucial Coast, and also at Abu Musa Island, where he also examined the deposits of red oxide. The Company seem also to be anxious to cultivate good relations with Hadji Mouin-ut-Tujjar, Messrs. Lynch's chief rival on the Karun, and have appointed his agent, the Reis-ut-Tujjar, to represent them at Mohammerah. (January 1907.)

2. The creation of a German bank.

Permission for the establishment of this institution, with a capital of 200,000*l.*, was, according to the Grand Vizier, granted by His Highness' predecessor. It was to have commenced business in Tehran on the 1st January, 1907, but has not yet (23rd February) opened its doors. Herr Gutman, who was recently Director of the Deutsch Orient Bank in Egypt, is, however, shortly expected to arrive with four or five other members of the staff; and the services of Mr. Wilkinson, a British subject born in Smyrna, and lately in the employment of the Imperial Bank of Persia, have been secured. According to Baron Richthofen, the chief office of the new bank will not be in Tehran but in Shiraz, so as to assist the operations of the Hamburg-Amerika steamers. The German Legation gives out that the bank has been founded solely in the interests of German trade, but there is a general conviction in Tehran that, should

the opportunity arise, the bank would not refuse, in return for a proper *quid pro quo*, to lend its services to provide German capital for the new National Bank.

3. The establishment of a hospital and school. The latter is said to be intended solely for the benefit of the German Colony in Tehran. A suitable house has been secured at a somewhat high rent. The hospital, originally founded more than ten years ago with a subvention from the Persian Government, will now receive a further sum of 4,000 tomans per annum. It is placed under the direction of the physician of the Legation, and an additional medical man has just been brought out to act as resident surgeon.

Since his arrival in October, M. Stemrich is not known to have achieved any definite success, unless, indeed, the engagement of Professor Damasch to attend on the late Shah, and the payment of his fees, are to be reckoned as such; but this is only natural considering the political conditions prevailing in Persia during the last five months. He is now, however, working energetically to secure the concession for the Karun irrigation scheme for a German Syndicate. (See Memorandum No. 9.)

5. *Roads.*

(1.) *British Road Concessions.*

(*a.*) *The Bakhtiari Road.*—The difficulties which have arisen between the Bakhtiari Chiefs and Messrs. Lynch Brothers regarding the upkeep of this road have unfortunately not yet been satisfactorily adjusted, in spite of continued negotiations. At the urgent request of His Majesty's Legation, the Bakhtiaris agreed to put the road into thorough repair this summer, and His Majesty's Chargé d'Affaires was present at a meeting of the principal Chiefs and Messrs. Lynch's agent at Tehran on the 19th May, when the following proposals were made by the former:—

(i.) That Messrs. Lynch should agree to sever their connection with the road, in which case the Chiefs would at once pay all their legitimate claims in cash, through His Majesty's Legation.

(ii.) If Messrs. Lynch decline to cancel the Agreement of 1898, that they should send an engineer once in two years to examine and carry out necessary repairs to the bridges, at a charge to be settled beforehand. Should Messrs. Lynch's estimate not be accepted by the Chiefs, the latter will be at liberty to obtain estimates from other British engineers.

(iii.) The Chiefs agree to build two caravanserais this year (1906) and two next year, at places at which such accommodation is most required. Existing caravanserais which are found to be in bad condition to be repaired immediately on the return of the Khans to their country.

(iv.) When the repairs being carried out on the road are completed His Majesty's Legation will be notified, and the Chiefs hope that a British Consular officer may be instructed to inspect the road. Should the Consul find the road in need of further repair, the Chiefs will accept his decision.

Mr. Grant Duff recommended that Messrs. Lynch should accept some arrangement based on the above proposals, and in July that firm wrote and, while absolutely rejecting the first proposal, agreed generally to the last three, but made certain modifications, the most important of which was their insistence upon the necessity of a yearly inspection of the bridges.

On the 13th June the Chiefs stated that the repairs to the road had been completed throughout, and instructions were sent to Captain Lorimer, His Majesty's Vice-Consul at Ahwaz, to inspect and report on the track. Captain Lorimer was at that time at Ispahan, having recently traversed the greater portion of the route, and he reported that up to the 23rd June practically no work had been done. At the end of October Captain Lorimer travelled down to Ahwaz, accompanied by a special agent of the Khans, to whom he was asked to point out any defects he might wish to bring to their notice. His report shows that very little work was done and that extensive repairs to the roadway are still required, while the existing caravanserais are all in a ruinous condition and useless for accommodating caravans. It is proposed that a further inspection of the road should be made in the spring of this year.

(*b.*) *The Tehran–Kum Road.*—The principal work done on this road during the year was the demolition of two arches of the large bridge over the Kara Su River, south of

Menzerieh, the foundations of which showed signs of giving way, and the partial construction of one large arch in their place; this work will not be finished for two or three months more. The small timber bridge over a salt stream between Menzerieh and the large bridge has been replaced by a brick and stone construction, and a good deal of maintenance and upkeep work, repairs to culverts, &c., has been done. The road on the whole is in good condition.

(*c.*) *The Kum–Sultanabad Road.*—The question of the Persian Transport Company's right to levy tolls on this road was again raised early in the year and, with a view to determining whether it was now in a state to warrant this, an inspection by the Persian Minister of Roads and Communications was made at the end of June. He was attended by a Dutch engineer in the employ of the Persian Government and by the local agent of the Company, at whose request Lieutenant-Colonel Douglas also accompanied the party as representing the Legation. The road was found to be in good order, and the Mohandis-el-Mamalik reported that the Company might now be given the right of taking toll, provided that certain improvements, chiefly the widening of the track in its narrower parts, were carried out within a year. This Messrs. Lynch at once undertook to do, and after negotiations extending over nearly six months, during which his Excellency, actuated by mercenary motives, attempted to increase his original demands for improvements, the Shah's Firman granting the right to levy toll was at length issued towards the end of December. Nothing has, however, yet been done towards overcoming the opposition of the priesthood at Kum, who are strongly opposed to the exaction of payment from the numerous pilgrims who travel over some 20 miles of the road on their way to Kerbela, and at whose instigation the toll-house erected about 6 miles from the town has twice been pulled down by an excited mob.

(*d.*) *Other Road Concessions held by the Persian Transport Company.*—With the exception of some preliminary surveying, nothing has been decided regarding the construction of the road from Kum to Isfaban for which this Company hold the Concession.

Various proposals for opening up the route from Dizful to Khurramabad have been made during the year by His Majesty's Consul at Ahwaz. All these have involved a considerable expenditure, and His Majesty's Government decided that for the present no steps should be taken. It is perhaps needless to add that the Persian Government has done nothing whatever towards bringing the tribes of Luristan under control.

(2.) *Russian Road Concessions.*

(*a.*) *The Resht–Kazvin–Tehran Road.*—Nothing has occurred during the year to interfere with regular traffic on this road, and it has, on the whole, been kept in good repair. The first 30 miles or so out of Resht are still very heavy after much rain, but as the surface underneath is hard, the accumulation of mud is seldom sufficient to cause serious inconvenience.

(*b.*) *The Resht–Kazian Road.*—A good deal of work on this road has been done in the past year, and it is now finished and in excellent order for about 16 miles out of Resht. For the remaining 8 miles it is aligned and ditched; the culverts have been constructed and metal is now being rolled in, one steam and two horse rollers being in use. The bridges, of which there are four, are of light iron girders, with a single span, and are all in position; it is probable that the road will be quite finished by the middle of the current year.

(*c.*) *The Kazvin–Hamadan Road.*—Captain Gough, who travelled over this road at the end of May, reported that practically nothing was being done on it, and the work of laying and rolling the metal had apparently made no progress since November 1905, when it was inspected by Lieutenant-Colonel Douglas. In many places in the central, which is the most hilly, section, small landslips had filled up the ditches, with the result that water had drained across and cut up the roadway. The bridges, which were unfinished at the end of 1905, had been completed. There was practically no traffic on the road, and no arrangements for a carriage service along it have been made. Had the work been pressed it might easily have been finished by the end of 1906, but it is now impossible to say when it will be in a condition to take regular traffic.

(*d.*) *The Julfa–Tabreez Road.*—By the beginning of October this road was in good working order almost up to Tabreez, the difficult section where it passes through the Dere Diz defile having been reconstructed early in the year. Latterly, an agitation against the road has again been started in Tabreez, and objections have been raised to its being in Russian hands. The Russian Consul-General has demanded that the

numerous persons who use the road and decline to pay toll should be arrested and punished, but the Persian authorities are at present powerless to maintain the rights of the road Company.

6. *Frontier Disputes.*

(1.) *The Turko-Persian Frontier.*

The dispute regarding this frontier, which came prominently into notice in October 1905, has continued to form the subject of negotiations throughout the year. These were at first of a desultory nature, but at the end of April the Porte urged the appointment of a Persian Commissioner to meet the Ottoman Representative on the frontier, and this proposal was finally agreed to by the Persian Government. In May Turkish troops occupied the districts of Dasht and Mergaver, and those in the neighbourhood of Urmi were reinforced. At the end of July the Frontier Commissioners met, but no agreement was reached, and some three weeks later the Turkish Commissioner withdrew to Suleimanieh. In October the Porte proposed a line of frontier giving them Lahijan, Vazneh, and other important places, which was at once rejected by the Persian Government. In November the latter made a counter proposal of a line to the west of the disputed districts, and to this the Turks refused to agree; so that up to the end of the year no settlement had been made.

At the end of October the British and Russian Representatives at Constantinople sent to the Porte an identic communication, in which they expressed the willingness of their Governments to use their good offices to bring about a settlement of the question, and to nominate Commissioners who, in conjunction with the Representatives of the Mussulman Powers, should define the frontier line. The Porte, while admitting in principle that recourse to the mediation of England and Russia was the natural solution of the question, sent no reply to this note, as hopes were still entertained that the two Powers immediately interested might themselves be able to come to an agreement.

The dispute has naturally resulted in the frontier districts being in a very disturbed state during the year, and robberies and other outrages have been of frequent occurrence.

(2.) *The Perso-Afghan Frontier.*

Though nothing has occurred of late to raise the question of this frontier, the Government of India thought that advantage should be taken of any opportunity that might arise of ascertaining the actual boundary of possession on the undemarcated portion between Hashtadan and Siah Kuh. Lieutenant Keyes was therefore ordered to go from Seistan to Meshed, and to make what inquiries he could on the subject without arousing suspicion. In May he submitted his report, accompanied by a map showing the actual line of possession, which, immediately to the south of Hashtadan, lies considerably to the west of the approximate frontier, as shown on our maps. No further action has been taken in the matter.

7. (*a.*) *Telegraphs.*

No new lines of telegraph have been laid by the Persian Government. The diversion from Henjam to Bander Abbas, constructed for them by the Indo-European Telegraph Department, was opened to traffic during the year; and in November a construction party proceeded to Bam in order to complete the portion of the Central line between there and the frontier at Kuh-i-Malik Siah, where there has hitherto been only a temporary connection. In the north the Russians have brought Askhabad into direct communication with Meshed by a line to Bajgirha on the Persian frontier, and the Meshed-Deregez line has been prolonged to Artik on the Transcaspian Railway.

In consideration of an advance of 40,000*l.*, the Indo-European Telegraph Company obtained in June last a renewal of their Concession for a further period of twenty years. At the same time they made an agreement with the Persian Government, whereby the latter declare that they have no objection to the Company coming to an agreement with the British Government for taking over the line from Tehran to Khanikin, which formed the subject of the Convention of the 23rd November, 1865, between the two Governments.

The following is a complete list of existing telegraph lines in Persia, exclusive of purely local lines:—

Line.	Number of Stations.	Length of Line.	Number of Wires.
		Miles.	
I. Indo-European Telegraph Department—			
1. Tehran to Gulahek	1	7	6
2. Tehran to Ardistan	3	221	3
3. Ardistan to Reshire..	7	509	3
4. Ardistan to Azzizabad Bridge (25 miles east of Bam)	7	525	3
5. Azzizabad to Fahraj	..	11	2
6. Fahraj to Kuh-i-Malik Siah	1	176	1
7. Jask, viâ Chahbar, to frontier ..	2	260	2
8. Reshire to Bushire	1	8	2
Total	22	1,717	
II. Indo-European Telegraph Company—			
1. Tehran to Julfa Ferry on the Russian frontier	6	415	3
III. Persian Government lines maintained by the Indo-European Telegraph Department—			
1. Tehran to Meshed	10	568	1
IV. Persian Government lines—			
1. Kazvin to Astara	5	227	All Persian lines have only a single wire.
2. Resht to Khorremabad	2	94	
3. Tabreez to Suj Bulak	4	138	
4. Morand to Urumiah	3	129	
5. Tabreez to Pul-i-Savar	5	210	
6. Tabreez to Ardebil	2	115	
7. Tehran to Khanikin..	11	412	
8. Hamadan to Burujird and Nahavend ..	3	96	
9. Hamadan to Senna (Kurdistan) ..	2	102	
10. Khurwa to Bijar (Gerrus)	1	52	
11. Daulatabad to Kum..	2	131	
12. Meshed to Nasratabad (Seistan) ..	13	523	
13. Meshed to Sarakhs	2	96	
14. Meshed to Lutfabad (and Artik) ..	3	141	
15. Meshed to Kuchan and Bajgirha (and Askhabad)	2	143	
16. Kuchan to Bujnurd	2	72	
17. Shahrud to Astarabad	2	52	
18. Astarabad to Chatli..	4	126	
19. Astarabad to Chikishliar	..	38	
20. Semnan to Firuzkuh	1	41	
21. Astarabad to Meshed-i-Sar	5	121	
22. Borazjun to Dizful	7	341	
23. Ahwaz to Mohammerah	1	75	
24. Ispahan to Nain	1	91	
25. Bunder Abbas to Henjam	2	48	
26. Tehran to Kazvin	..	96	
Total	85	3,710	

7. (*b.*) *Cable House at Bunder-Abbas and Bunder-Abbas-Henjam Cable.*

The question of the positions of the cable-house and telegraph office for the Bunder Abbas end of the Henjam-Bunder Abbas cable remains unsettled. Owing to the confusion which appears to exist in their mind as to a cable-house and a public telegraph office, the Persian Government at first raised every objection to the removal to a more suitable site of the original cable-house, which had been found to be too near the sea. They have declined to entertain the proposal, favoured by the Indian Government, that the wire should pass through the grounds of the British Consulate, but have agreed to allow the Consulate to be connected with the line by a private wire.

The Persian Government appear to wish that the cable-house and public telegraph office should be under one roof, an arrangement which must either be detrimental to the efficient working of the line or involve the choice of a site very inconvenient to the public.

The signaller for whose services the Persian Government applied to the Indian Government has been at Bunder Abbas for some months, but as the telegraph office is not open, has had no work to do.

The Persian Government has issued bills for the payment of the cost of laying the cable, amounting to rupees 58460 : 2 : 11 (exclusive of the cost of the Bunder Abbas telegraph office and fittings), but the money has not yet been paid.

No steps have been taken for the opening of a Persian telegraph office at Henjam Island.

7. (*c*.) *Henjam Telegraph Concession.*

This question arose out of the attempt of the Persian Customs to erect a Customs building within the limits of the area occupied by the Indo-European Telegraph Department. The original Concession obtained in 1868 only conferred the right to erect buildings, and made no mention of a definite area, but His Majesty's Government consider that the twelve years occupation down to the abolition of the station in 1880, during which period considerable sums were expended by us in building water tanks and other improvements, constitutes a fair claim to the same area now that the telegraph station has been re-established. The desire to exclude the Persian Custom-house and official is based on various grounds, the chief being that the water supply is insufficient, that the presence of Persians is objectionable for sanitary reasons, and that the Persian flag-staffs may interfere with Lloyd's signals. On Sir A. Hardinge's advice, however, an attempt was made to reach an amicable settlement between the local officials, and on the 12th February an Agreement was signed between the Director of the Persian Gulf Section of the Indo-European Telegraph Department and the Director of the Bunder Abbas Customs, providing for the construction of a Customs-house within the limits of the Concession. In virtue, apparently, of this Agreement, building was commenced towards the end of March, but the excitement caused among the Arab population by the appearance of the Persian officials was so great that grave fears were entertained for the safety of the telegraph officials. His Majesty's ship "Fox" was sent to Henjam, and Mr. Grant Duff called on the Grand Vizier to cause the work to be suspended.

On the 7th April building was stopped, and on the 9th the Persian officials left the island. Meanwhile Mr. Stas, the Customs Director at Bunder Abbas, had collected a small force of men to land at Henjam, and a party of twenty-four, of whom thirteen were armed Tufangchis, actually arrived, but were prevented by His Majesty's ship "Fox" from landing within the limits of the Concession; this action called forth a renewed protest to the Mushir-ed-Dowleh, with the result that on the 17th the Customs were ordred to desist from further action.

The reasons for which His Majesty's Government desire exclusive rights over the Telegraphic Concession, as it existed from 1868 to 1880, have been carefully explained to the Persian Government, and it has been also intimated to them that His Majesty's Government will have no objection to making a formal application for the Concession, provided that it is understood that it will be favourably received. No written reply has been received, but in conversation the Mushir-ed-Dowleh has stated that the Shah could not alienate so much territory to Great Britain without arousing some demand on the part of Russia for a similar concession in the north. When our first demand was made the area was stated to be some 3·4 square miles, but it has since been ascertained by more accurate survey that the area is only 1,200 acres, or something less than 2 square miles. This, too, has been explained to the Persian Government, but since July no progress has been made in the case.

8. *Upper Karun Navigation.*

Messrs. Lynch complain of the attitude of the Mouin-ut-Tujjar towards them in these regions. A futile attempt to come to some mutually advantageous arrangement was made in December 1905, each party throwing the blame for the failure of the negotiations which took place in Paris, on the other. To whomever the responsibility rightly belongs it seems pretty certain that the Mouin's professions of amicable sentiments towards Messrs. Lynch are insincere, and that he must be in future regarded as a formidable competitor rather than a possible ally.

Recently he has purchased a steamer which he proposes to run on the Upper Karun in opposition to the "Shushan," which is worked by Messrs. Lynch on behalf of the Persian Government. Messrs. Lynch have appealed to His Majesty's Government to urge on the Persian Government the necessity of preventing this project, the argument being that as the "Shushan" is worked at a loss, the competition of a second steamer will further increase those losses. No step has been taken by the Legation to approach the Persian Government on the subject. The Persian Government denies that they ever commissioned Messrs. Lynch to work the "Shushan" on its account, and repudiates all responsibility for the losses incurred on her, which now amount to some 21,000*l*. It appears quite probable that if the step desired by Messrs. Lynch were taken, the Persian Government, acting on the inspiration of the Mouin-ut Tijjar, who has great influence with the Grand Vizier and Assembly, might invite Messrs. Lynch to take the "Shushan" off the river altogether. The claim for the losses on her running in 1905 has been presented to the Persian Government.

The question of the erection of a depôt shed by Messrs. Lynch at Shellalieh has made no progress. The Mouin-ut-Tujjar has successfully opposed their efforts to lease or buy a suitable site, and Messrs. Lynch consider that the terms on which he offered to provide them with accommodation in the sheds he is building for himself are unacceptable.

(See also British claims, No. 18.)

9. *Karun Irrigation Scheme.*

For the first six months of 1906 little was heard of the Karun irrigation scheme, but in August the Netherlands' Minister, in Tehran, informed Mr. Grant Duff that a Dutch Syndicate, which would be international in character, was anxious to obtain the Concession, and inquired what would be the attitude of His Majesty's Government to the proposal. The Russian Minister, he said, had stated that he had no objections to raise provided English participation was excluded. The outline of the project is briefly as follows: the Concession to be for eighty years; the Company to have a capital of 1,400,000*l*., of which 20 per cent. to be held in Holland and 40 per cent. in Persia; head-quarters in Holland, and the management to be mainly Dutch. M. de Sturler gave no definite information as to the financial backing of the Company, but there was reason to believe that it would work in conjunction with the German group that holds the Bagdad Railway Concession. Very soon after Sir C. Spring-Rice's arrival he was approached on the question by the Dutch Minister who represented the Persian Government as willing to grant the Concession, and as on this statement there seemed to be a danger of a powerful German interest being introduced into West Central Persia, Sir C. Spring-Rice informed the Persian Minister for Foreign Affairs, in writing, that His Majesty's Government assume that no definite step will be taken in the matter without their being consulted. To the Dutch Minister, he replied, that inquires as to the attitude of His Majesty's Government had better be made by the Netherlands' Representative in London.

The Persian Government have made no reply to Sir C. Spring-Rice's note above alluded to, but in conversation the Ala-es-Sultaneh stated that there was no intention of granting any Concession to a foreign Company.

Meanwhile, the project proved to have attractions for Persians, and the Sheikh of Mohammerah through the Mouin ut-Tujjar, his Agent in Tehran, has communicated his ideas to the Legation. The Sheikh was at first disposed to obtain the assistance of foreign capital, but later favoured the formation of a purely Persian Company, with European technical advisers, and the Mouin-ut-Tujjar inquired from Sir C. Spring-Rice whether the Government of India would be willing to lend the services of Major Morton, R.E., who was sent in 1905 to report on the feasibility of the irrigation scheme, and arrived at the conclusion that it could be carried out at a cost of something less than 1,000,000*l*., and should give a return of 5 per cent. to 10 per cent.

Reports from Mohammerah tend to show that the working of any foreign Syndicate would, probably, meet with opposition from the Arab population of the Ahwaz District.

In December, the Dutch Minister in London, strongly urged Sir E. Grey to countenance the Dutch project to which, he said, the French and Russian Governments had no objections to make, while no other Government had been consulted; but his representations met with a cold reception, and early in January 1907, Sir E. Grey informed him that in view of the unsettled political situation in Persia, the question of the Karun Irrigation Concession could not be entertained at the present moment.

In February 1907, M. de Sturler again approached Sir C. Spring-Rice; he had certain information that the German Legation was secretly working to obtain the

Concession for a purely German group intimately connected with the Bagdad Railway enterprise, and the only method of thwarting German designs was for His Majesty's Government to give its support to the Dutch project. The Russian Legation concurs in this view.

10. *The D'Arcy Oil Syndicate.*

Experimental borings have been undertaken at two places, Mametum and Maidan-i-Naft, under the direction of Mr. G. B. Reynolds, the Syndicate's representative in Persia, and appear to have been carried on without local interruption. The year, however, has not passed without its difficulties. In February the Bakhtiari Khans showed signs of refusing to supply guards at the above-mentioned places, alleging that the 2,000*l.* stipulated for in the Agreement of 1905 was inadequate to provide a sufficient force, and a month or two later expressed their desire for a modification of the Agreement on certain other points. About the same time the Shuja-es-Sultan, brother of the Ilbegi, made a protest against the Syndicate carrying on operations on his property without his consent. The protest was communicated to the Legation by the Persian Government. In October His Majesty's Vice-Consul at Ahwaz had an interview with the Khans, and succeeded in inducing them to withdraw all their demands except that for the increase of the guards subvention. The compromise arrived at provides that this sum shall be increased from 2,000*l.* to 2,500*l.*, the additional 500*l.* to be paid as salary to one of the leading Khans who is to be responsible for the guards. It has been accepted in principle by the Syndicate on condition that no further demands be made by the Khans, and that the latter engage to settle the claim raised by the Shuja-es-Sultan.

The Persian Government has been informed that this latter claim will be dealt with by the Khans.

During the summer and autumn some confusion arose in connection with the payments of the various instalments of the 2,000*l.* for the guards, and, to prevent the recurrence of such difficulties, it was arranged that the November instalment should be paid through His Majesty's Consul-General at Ispahan against a receipt signed by the Ilkhani and Ilbegi. When that instalment fell due a hitch occurred on account of the fall in exchange: the Khans at first refused to accept the sum tendered by the bank at the current rate of exchange, but were eventually induced to do so.

Mr. Preece, lately His Majesty's Consul-General at Ispahan, has been appointed to represent the Syndicate in any communications on its affairs with the Foreign Office or with the Persian Legation in London.

The Persian Government still maintains its refusal to recognize the Agreement of 1905 between the Syndicate and the Bakhtiari Khans.

11. *Sponge Exploration Syndicate.*

The Concession granted to this Syndicate, although ostensibly limited to the exploitation of the sponge industry, does not provide that its proceedings shall be watched by an overseer on behalf of the Persian Government, and, from a statement attributed to M. Hatinoglou, the Syndicate's representatives in the Gulf, there seemed reason to believe that the privilege of pearl-fishing might be conceded to it by the Persian Government, or, at all events tacitly connived at. The Persian Government has been informed, on the 20th October, by the Legation that His Majesty's Government would view with concern any amplification of the Syndicate's Concession which would interfere with the established rights of Chiefs under British protection in the pearl fisheries. The charter of the new National Bank, signed by the Shah in February 1907, confers on that establishment the right of pearl fishing in the Gulf.

12. *Petroleum Concessions.*

Two Concessions have been acquired by the Nasr-es-Sultaneh, the Minister of Telegraphs, for the working of the petrol deposits on his own estates in Mazanderun and Ghilan. The former was given by Nasr-ed-Din Shah, and includes the districts of Tunkabun, Kudjour, and Kalaristag. The latter was given by Shah Muzaffar-ed-Din, and comprises Talish Doulab, a few miles west of Enzeli.

Reports made by a Russian engineer, on behalf of the Nasr-ed-Sultaneh, speak favourably of the prospects of the Mazanderun field, but, in view of the probable opposition of Russia, no work has been done.

Mirza Reza Khan, Moayyed-es-Sultaneh, formerly Persian Minister in Berlin, acts as agent for the Nasr-es-Sultaneh in Europe, where he was travelling in a private capacity. He is in possession of full particulars as to the concessions, but has not yet succeeded in getting any European firm or Syndicate to take them up.

13. *Caspian Sea Fisheries.*

A contract was signed on the 12th April, at the Russian Legation, between the Persian Government and the Contractor of the Caspian Sea Fisheries, by which the latter agreed to pay in advance, but with discount, the royalties due for 1907, 1908, and 1909; the royalties for 1910 on the 13th December, 1906, and for 1911 on the 28th April, 1908.

This contract is a distinct infringement of the Agreement of the 4th April, 1903, for the advance of 200,000*l.*, by which the Persian Government undertook to repay the advance, both capital and interest, within twenty years out of the royalties of these fisheries.

At the time the contract was signed only 5,500*l.* out of the 23,270*l.* 7*s.* due to the Bank had been paid. Mr. Grant Duff, therefore, called the attention of the Grand Vizier to the infringement of the Bank's contract, and his Highness promised to look into the matter. The instalments due to the Bank in 1906 have been paid.

M. Leanozoff, who holds the Caspian Sea Fisheries Concession, has been having some trouble with the local fishermen of Resht and Enzeli, who dispute his right to claim the fish called "soof," as it is not mentioned in the terms of his Concession. An agent of the Russian Consulate has been deputed to inspect the export of fish, in order to prevent any "soof" being exported by any other person than M. Leanozoff. This has given great offence to the fishermen, who decline to come to any arrangement with Leanozoff, or to hand over "soof" to him. It is said that Leanozoff has received from Baku an offer of 600,000 fr. for his Concession, any constructions he may have erected to be purchased separately at a valuation.

14. *Tehran Water Concession.*

The Concession for the water supply of Tehran, which the Standard Trust Company endeavoured to secure with the support of His Majesty's Government, was refused by the Grand Vizier in March.

Mr. Grant Duff, in informing His Majesty's Government of the Persian refusal, pointed out the impracticability of the scheme, and suggested that it was inadvisable to encourage large British enterprises in Northern Persia, since they might wound Russian susceptibilities and encourage Russia to demand concessions in the South.

15. *Motor Cars.*

At the request of Messrs. Lynch's agent in Tehran, the Legation has addressed a note to the Persian Government pointing out that the Concession held by the Sani-ed-Dowleh for motor-car services in Persia generally cannot be considered as granting rights on the Persian Transport Company's roads.

A "Renard" train, consisting of a petrol motor and waggons, which was purchased by the late Shah in Europe, has arrived in Tehran, and is said to be intended for the Tehran–Meshed road.

No motors are working on the Tehran–Resht road.

16. *Agitation against Belgian Customs Administration.*

Although popular feeling against the foreign administration of the Customs was undoubtedly on the increase from the very beginning of the year, no instance of overt hostility occurred until the month of August, when M. Huynssens, the Director-General of Customs at Bushire, was mobbed by a party of roughs, and loading and

unloading operations in that port were practically at a standstill for five days. It is not very clear what the real origin of this movement was. M. Huynssens attributed it to the machinations of the Darya Begi, while Major Cox believed the agitation to have been instigated by the Mollahs against the Customs administration generally. The immediate pretext was found in certain grievances of some Tangistani boatman, and most of the demands of the agitators were of purely local interest. One of them, however, was a demand for the abolition of the fine on smuggling arms—the weapons only to be confiscated, without further punishment. All the demands were temporarily conceded by the Customs.

Almost from the first sittings of the Medjliss, at the close of the year, M. Naus, and to some extent also his subordinates, have been the object of constant acrimonious and exaggerated accusations, and the dismissal of the Minister was repeatedly demanded. That the Shah would yield to the Assembly always seemed probable, but when, at the end of January, the Medjliss presented its ultimatum, it was a matter of some surprise that the dismissal of M. Priem should have been included along with that of his Chief and M. Lavers.

These gentlemen were accordingly dismissed.

The more violent section of the Assembly continues to attack the whole of the Belgian personnel; but the more reasonable members, aware of Persian incapacity for administration, seem to be not wholly averse from retaining the services of M. Priem, but in strict subordination to a Persian Minister.

17. *Duty on Articles for the official use of His Majesty's Consulates.*

The Customs Department have on several occasions refused to allow articles for the official as distinguished from the personal use of British Consular officers to be imported free of duty as a matter of right, although as a matter of courtesy the permission has been constantly granted. The sole argument of the Customs is that exemption for such articles is not provided for in the "Règlement Légal," and that they are therefore not entitled to such exemption.

Irrational as the attitude of the Customs is, it has been found impossible to induce them to modify it, and an appeal to the Persian Minister for Foreign Affairs has only elicited the usual evasive reply.

18. *Hamal-Bashi question at Bushire.*

This question remains unsettled. The Minister of Customs has had the matter under consideration, but, owing to the incompleteness of the information supplied to him by the Bushire Customs, has had to defer a definite decision. Steps have been taken to get the final "Règlement" submitted to the Legation before it is put into force.

19. *Illegal Taxes in Southern Persia.*

Article 3 of the "Règlement Légal" abolishes a number of internal taxes, such as "rahdari," or road toll (except tolls levied on roads constructed under Concessions from the Persian Government), "khanat," "mezdan," "kapandari," &c. In spite of this stipulation the local authorities were still, in January 1905, collecting these imposts, and more especially on the Bushire–Shiraz route and at Bunder Abbas; while at the examination posts maintained by the Customs at Godari, on the Bushire–Shiraz route, and at Daliki, on the Ahwaz–Isfahan road, various fees were being exacted. After a not unreasonable delay the Ministry of the Customs agreed to suppress the posts at the two last-named places, and the abolition of "rahdari" in the Province of Fars was also obtained without serious difficulty. But as regards the illegal taxes levied at Bunder Abbas the Persian Government resorted to its usual shuffling tactics, and it was not till April 1906 that the Legation succeeded in securing the issue of orders for their discontinuance—orders which were disregarded for a couple of months more by the interested provincial authorities. Even thus the pier dues at Bunder Abbas remained in force for some little time, but were suspended about the end of the year.

In spite of the repeated assurances of the Persian Government that strict orders have been given for the abolition of all taxes contrary to the "Règlement Légal," "rahdari" is still levied at a few places on the Kerman and Bam roads, and very probably also in other out-of-the-way localities.

20. *Embargoes.*

The embargoes placed on the export of wheat from Southern Persia and Arabistan, and on the sheep and lamb-skins from the whole country, caused the Legation some trouble, but special permission was obtained for Messrs. Cockbain and Hemelryk to ship some 7,000 sheep required for South Africa. The embargo on grain was maintained until April, when it was raised for two months; but in view of the promise of excellent crops in the south-west of Persia the embargo was not reimposed.

In June Mr. Grant Duff succeeded in extracting a promise from the Mushir-ed-Dowleh that, besides the previous notice to be given to the Legation that an embargo is to be imposed, a period of grace is to be allowed, the length of such period to be settled between his Highness and the Legation.

21. *Duty on Stores for the Jask Guard.*

The question as to the liability of the Guard stationed at the Jask telegraph office to pay duty to the Persian Customs still remains unsettled. But the Government of India have effected a compromise by placing the Guard temporarily under the orders of the officer in charge of the telegraph office and having all stores addressed to him.

The Customs administration have so far raised no further objections.

22. *British Post Offices in the Persian Gulf and Parcels Post Convention.*

The *modus vivendi* for the treatment of parcels arriving at the British Indian Post Offices in the Gulf, which was arranged in 1905, has remained in operation; but, although in possession of the proposal of His Majesty's Government for an arrangement on the lines of the procedure followed by the British Post Offices in Turkey, the Persian Government has taken no steps whatever to approach the Legation with a view to negotiating a definite Convention. In April, however, the Grand Vizier wrote that he saw no objection to it; at the same time he took the opportunity to complain of the action of the British Indian Post Offices in requiring that letters handed to them by the Persian Post Offices for transmission to their destination should bear Indian stamps. It was pointed out to His Highness that this requirement was only in respect of letters posted in places where there are British Indian Post Offices, and was not applied to letters from the interior of Persia. The question was raised privately by the Persian Delegates at the Postal Congress held at Rome in June, but on being assured by their British colleagues that their representations on this, as well as on two other, points connected with the Gulf Post Offices that would receive sympathetic and early consideration, they refrained from bringing the questions formally before the Congress. The Government of India has since expressed its readiness to abandon "the present practice of requiring Indian stamps to be affixed to all articles posted at places in the Persian Gulf where there are Indian Post Offices for transmission to foreign countries," but on the condition that the Persian Government are willing to negotiate a satisfactory Parcels Post Convention, and to make such other concessions as may be thought advisable to ask of them, and they suggest that such a condition might take the form of a reasonable settlement of the Bunder Abbas cable dispute.

No steps have been taken by the Legation on this expression of views by the Government of India, as it seemed preferable to allow the Persian Government to make the first advance; it was also doubtful whether in the existing political chaos any negotiations could be usefully entered upon.

23. *Posts. Validity of Stamps surcharged on His Majesty's Service.*

The Persian Post Office has raised a claim to levy double rates on letters arriving from India bearing stamps with the surcharge "O. H. M. S.," but has consented to suspend the execution of the orders until the 21st March, 1907, so as to allow time for the various Departments in India to be warned of the new practice. The question of the legality of the claim has been referred to the Foreign Office and to the Government of India.

24. (*a.*) *Quarantine Station at Entrance of Persian Gulf.*

In the first half of the year the French Government was pressing His Majesty's Government to give its favourable consideration to the proposal made by the Persian Government in the form of a "Déclaration Additionnelle" to the Paris Convention of 1903, to the effect that the sanitary station to be established at the entrance of the Persian Gulf, in accordance with the Venice Convention of 1897, should be Persian, and not international, the expenses thereof being borne by that Power and the site chosen by it. The French Government stated that a French specialist—Dr. Faivre, who had been deputed to study the question on the spot—had pronounced in favour of Henjam—the island selected by the Persian Government—as being a suitable position for the station, and it pointed out that it would be difficult for the French Government to explain to Persia that one of the reasons for which Great Britain had decided not to accept the Persian proposal was the incapacity of the Persian Treasury to bear the expenses. It was also urged that if the Persian offer were declined the Persian Government might refuse to ratify the Convention, or might make its ratification conditional on reserves, which would still further delay in bringing the Convention into operation.

At this stage Dr. Thompson's report on the whole question of the sanitary defence of the Gulf reached His Majesty's Government's hands. Its general conclusions were averse to the creation of a sanitary station at the entrance to the Gulf: (1) because it was still to be proved that epidemics had been conveyed to Europe by that route; (2) because a sanitary station at that point would be ineffective, as it would be evaded by the native sailing craft, the most dangerous class of shipping; and (3) that there is no suitable position for such a station, Henjam in particular being open to serious objections on account of its climate, its inadequate water supply, and its lack of supplies.

Dr. Thompson's views were adopted by His Majesty's Government, and the French Government was informed that the Persian proposals were inacceptable—a decision which was in due course communicated to Persia and the other parties to the Paris Convention.

Sir C. Spring-Rice has explained the position to the President of the Tehran Sanitary Council, who has promised to do his best to prevent the question being again raised. Dr. Schneider observed, however, that it would greatly facilitate his task—should the matter be brought before the Sanitary Council—if the Government of India would consent to improve the conditions under which quarantine measures are at present carried out in the Gulf, *i.e.*, by increasing the European personnel and by supplying disinfection stoves and rat-destroying apparatus at each of the five ports instead of at Bushire only.

24. (*b.*) *Quarantine Regulations in the Persian Gulf.*

In the middle of September the Governor of the Persian Gulf wrote to the Residency Surgeon at Bushire in his capacity as Chief Quarantine Officer for the Persian Gulf informing him that in future the Persian Government would require that the Persian flag, as well as the quarantine flag, be flown, not only on all boats employed in quarantine work, but also on all ships undergoing quarantine in Persian ports.

It would appear that this step was the outcome of the action of the Russian Consul-General, who had informed the Daria Begi that Russian vessels will in future decline to recognize any boat or person as having quarantine authority unless covered by the Persian flag, and that no correspondence will be conducted with the quarantine authorities in English, but only in Persian or French.

The German Consul made a similar communication.

Hitherto it had been the practice at Bushire for the Resident to place his launch, free of expense to the Persian Government, at the disposal of the Residency Surgeon for quarantine duty, and she naturally flew the British flag. Until, therefore, the Persian Government supplies a steam launch, which it is unable to do at present, foreign vessels will be boarded by a sailing-boat while the Residency launch will tow off the quarantine boat to British vessels. At Bushire vessels have to lie a considerable distance from the shore, so that the only real sufferers under the new Regulations will be foreign ships. Any inconvenience which might result from the Russian and German attitude with regard to the language in which correspondence is to be conducted would equally recoil on foreign shipping.

The Legation has been in correspondence with the Persian Government on these questions, with the result that the requirement that ships in quarantine should fly the Persian flag has been tacitly dropped by the Persian Government on finding that it is in contradiction to the general practice in other countries. They showed, however, a disposition to maintain their attitude as regards the flying of the Persian flag by boats engaged in quarantine duties.

In December a Russian vessel, the "Trouvor" refused, on the advice of the Russian Consulate, to admit the quarantine officer on board at Bunder Abbas to carry out the inspection laid down by the Venice Convention. The same thing occurred at Lingah, but at Bushire the "Trouvor" fulfilled the usual formalities. The Russian Minister at first attempted to argue that the conduct of the Russian Consul at Bunder Abbas was perfectly correct, but he finally agreed to send a telegram to M. Ovseenko enjoining a general compliance with quarantine rule. Eventually it was settled between the British and Russian Ministers that the question should be disposed of by the Tehran Sanitary Council, and on her return to Bunder Abbas, the "Trouvor" accepted the inspection of the sanitary officer.

The incident was undoubtedly due solely to the Anglophobe proclivities of M. Ovseenko.

25. *Plague in Seistan and Attack on Consulate.*

Early in January the existence of plague near Husseinabad was reported to Tehran by the doctor of the Russian Consulate in Seistan, and on orders from the Tehran Sanitary Council, a local body composed of the Director of Customs, the medical officers of the British and Russian Consulates and two Persian physicians, was appointed to deal with the outbreak.

There was already in existence a sanitary cordon, running from a point near Karez, east of Turbat-i-Haidari, through Kaf, to Turbat-i-Haidari and thence west to Turchiz, and known as the Turbat-i-Haidari cordon, which had been established by the Russians in 1897, and was at this period under the management of Captain Ivass, an able and politically active official. From the first it was clear that he and the other Russian functionaries were bent on using the situation to obtain political advantages which might eventually have led to the establishment of a cordon in Seistan, similar to that of Turbat-i-Haidari. To forestall this intention steps were at once taken by the Government of India to provide an adequate number of British medical officers and hospital assistants for quarantine service, and under colour of guarding against the spreading of the epidemic into Baluchistan preparations were made for the dispatch of a force of 200 native levies to Robat, which would be at hand in case of need for their services on the west side of the frontier.

The first act of the local Sanitary Council, and indeed its only effort for some months to limit the plague area, was the establishment of a post at Bandan, 60 miles north-west of Nasratabad, and lying on the road, which is practically the only exit from Seistan to the north; while in Nasratabad itself its attempts to cope with the disease seem to have been limited to the isolation in plague huts of persons actually infected and the disinfection of their houses. Even these measures were carried out in an unsystematic manner, and with so little tact or regard for the prejudices of the ignorant inhabitants that they aroused considerable popular resentment, which, on the 27th March, culminated in an attack led by Russian secret agents on the plague huts. The rioters, after destoying the huts, turned their attention to the neighbouring British Consular Hospital, the dispensary of which was wrecked, and even made a half-hearted attempt on the Consulate itself.

In the course of the disturbances Captains Macpherson and Kelly were struck by clods of earth thrown by the rioters, and two subordinate members of the Consular staff received trifling injuries. A short-lived effort was made by the Deputy Governor to allay the excitement, but for some days the situation continued to be so threatening that it was thought prudent to send up a small party of sowars from Robat for the protection of the Consulate, and the force at Robat was slightly increased. Provision was also made for forwarding a reserve of arms and ammunition. In reply to the representations of the Legation the Persian Government promised to dispatch Cossacks from Meshed, a promise which remained unfulfilled for some weeks.

The epidemic throughout the month of March continued to spread, but in April, under pressure from Russia, the Persian Government established sanitary ports, formed of Cossacks of the Tehran Brigade, under Persian officers at Birjand, Turchiz, Karez, and Turbat-i-Sheikh Jam, with the subsidiary posts of Serbazes, at Aliabad, Neh, and

Bandan; the management of the cordon, thus nominally intrusted to a Committee composed of a Persian and a Russian doctor and one or two local officials, was really directed by Captain Iyass. The regulations imposed were unnecessarily rigorous, and seemed to be aimed at stopping the entire British Indian trade with the northern districts. To remedy this state of affairs, and also to prevent the Russians from obtaining entire control of the quarantine in Kain, the Governor of which, there was reason to believe, was under Russian influence, it was decided to send a British medical officer and a few hospital assistants to the district. Being detained for a time at Jangal, where a few cases of plague had occurred, Captain Watson did not reach Birjand till the end of June. On his arrival he was confronted with the fact that, not being a member of the local Committee, he could not take part in its deliberations, but this difficulty having been removed by the action of the Legation in Tehran, he very quickly succeeded by his tact, ability, and energy in placing the quarantine in Kain on a proper footing.

Meantime, also, quarantine posts had been established about the middle of May at Koh-i-Malik Siah and Nasretabad Ispi, to prevent the spread of the plague from Seistan to the south and south-west.

In addition to these, the Turbat-i-Haidari cordon was maintained under Captain Iyass, and a post dependent on the Bandan quarantine was established at Duroh, on the Afghan-Kain frontier.

In spite of all these measures, however, the epidemic continued to increase steadily till towards the middle of June, when a case was reported on the Afghan frontier, but with the advent of the hot season, it began to abate, and by the middle of August the epidemic was over. Figures as to the mortality are not yet available.

For various reasons, however, the Tehran Sanitary Council has not seen fit to relax the stringency of the quarantine measures which were still in force at the end of January 1907.

Meantime, the attack on the Consulate of the 27th March had formed the subject of considerable discussion between the Legation and the Persian Government. It was quite recognized that to insist on the arrest and punishment of the ringleaders while the town was still in a state of excitement would be dangerous, and Mr. Grant Duff was instructed to leave that aspect of the question for the moment, and to utilize the opportunity to attempt to obtain the assent of the Persian Government to the extension of the Indo-European Telegraph Department's line from Seistan to Kuh-i-Malik Siah. The request was refused; and when in consequence of a second—but not very serious—attack on the Consulate on the night of the 10th July, he renewed his representations, he met with no better success. This second attack, however, showed the insecurity still prevailing in the town, and orders were at once given that the reserve of arms and ammunition lying ready at Robat should at once be sent up to the Consulate. Their entry elicited a protest from the Persian Government, to which answer was made that they were required to protect the Consulate, which it was manifest that Persian authority was incapable of doing.

On the question of reparation the Persian Government had agreed to send a special officer, the Momtehan-es-Sultan, to inquire into the circumstances of the riot. This functionary reached Nasretabad late in July, and in August an agreement was reached between him and Lieutenant Daukes to the following effect:—

(1.) An official apology to be made by the Deputy-Governor and by all the ringleaders (except the Mujtehid Sheikh of Raza), whose names had been given it to the Persian Government;
(2.) The four principal ringleaders to be deported from Seistan;
(3.) 100*l.* to be paid as compensation for the damage done to the dispensary; and
(4.) The grant of 10,000 zars of land for the extension of the Consular Hospital.

The Persian Government at once raised difficulties as to the second and fourth points, and in spite of constant pressure from the Legation the question dragged on till December when it was decided that as the expulsion of the ringleaders so long after the event, among whom was a locally influential Mollah, would arouse popular resentment, it would be expedient to abandon that demand, and that as regards (4) we might be content with the sale at a nominal price of the land required instead of the grant of it.

The Persian Government formally accepted the terms thus modified on the 7th February, 1907.

26. *Memorandum on Disturbances and Attacks on Foreigners in Persia*, 1906.

There has been no improvement in the maintenance of order in Persia during the past year. In addition to the usual oppression and maladministration of the provincial Governors, the reform movement, the illness of the Shah, the plague in Seistan, and the Turco-Persian frontier dispute have all contributed to increase the state of insecurity and disorder generally prevalent throughout the country. The question of reinforcing the Consular guards was seriously considered by His Majesty's Government and a force was held in readiness in India for immediate dispatch to Bushire to protect British lives and property in the event of their being endangered. Towards the end of the year cases of highway robbery occurred quite close to Tehran, Baron Richthofen, a Secretary of the German Legation, being attacked and robbed recently within 20 miles of the capital. The following are the more serious cases which have engaged the attention of His Majesty's Legation.

Riots in Seistan.—Owing to the measures taken for the suppression of plague serious disturbances broke out at Nasretabad in March. A mob attacked the hospital of His Majesty's Consulate and destroyed its contents. His Majesty's Consul and the British Medical Officer were pelted with sticks and clods and the rioters even attempted to enter the Consulate grounds, but withdrew on shots being fired. The local authorities took no steps to arrest and punish the ringleaders despite the urgent representations of His Majesty's Legation; but a special official was sent from Tehran to make an inquiry into the riot. In July a further disturbance took place, and a mob again attempted to break into the Consulate compound; on the escort turning out the rioters fled and no further incident occured. The Special Commissioner on concluding his investigations recommended (1) that the Deputy Governor and local authorities should offer an apology; (2) that 100*l.* compensation be paid for damage done to the Consulate Dispensary; (3) that the four principal ringleaders be deported from Seistan; (4) that 10,000 zars of land be granted free of charge for the extension of the Consulate Hospital. This proposal was generally considered satisfactory by His Majesty's Government.

The Persian Government, though ready to carry out the first and second recommendations, expressed their inability to expel the ringleaders and demurred to granting the land free of charge. At the commencement of 1907 His Majesty's Government agreed to modify their original demands and accept these terms "as a graceful concession to the new Shah."

Fars Disturbances.—Though the Shoa-es-Sultaneh did not actually return to Shiraz as Governor-General, the High Commissioner, sent by the Persian Government to inquire into the situation, was unable to do anything to redress the grievances of the inhabitants, and in June over 300 people took refuge at the British Consulate and refused to leave without written assurances from the Central authorities. The Persian Government thereupon appointed Ala-ed-Dowleh, one of the few strong men in Persia, Governor-General of Fars and gave him full powers to deal with the vexed question of the Crown Lands and to satisfy the demands of the refugees, who then left the Consulate. Though there was further agitation in August owing to the Shoa-es-Sultaneh's intrigues, the latter part of the year passed quietly. In November Ala-ed-Dowleh was recalled and an attempt was made to send another agent of the Shoa-es-Sultaneh in the person of Prince Nayer-ed-Dowleh. On the representations of the British and Russian Ministers the appointment was cancelled, and Nizam-es-Sultaneh, who was the Valiahd's Vazir at Tabriz, and is a man of some ability, though considerable age, has been nominated Governor-General. The robberies on the road from Shiraz to Bushire continue with ever increasing frequency, and in November the messenger of His Majesty's Legation was attacked near Kazeran, and the bags stolen from him have not yet been recovered. It has been, in consequence, decided to send no confidential correspondence to India in future by the Southern route.

Urmi Murders.—As the Persian Government took no steps to recapture the Kurds accused of complicity in the Labaree murder, giving as their excuse the frontier dispute with Turkey, His Majesty's Consul-General at Tabriz, who had gone to Urmi to attend an inquiry into the case, was instructed to return. The United States' Government were now asked to grant a further delay of ten months before the punishment of the murderers, and have consented to do so. The joint inquiry has therefore fallen through, and till now nothing has been done to arrest and punish the murderers. His Majesty's Legation have also been unable to obtain any satisfaction for the assault on Captain Gough.

The Douglas-Lorimer Outrage.—The Persian Government still refuse to pay any compensation in this case, and deny that they have any responsibility in the matter. The New Governor of Luristan, Salar-ed-Dowleh, has made no attempt to bring the Direk-wand tribe to justice, and it is unlikely that any further action will be taken in the near future.

Attack on Mr. Kane at Kashan.—In May the servants of the Acting Governor of Kashan entered the telegraph office in that town, and struck and insulted Mr. Kane, a warrant officer in the Royal Engineers, employed by the Indo-European Telegraph Department. His Majesty's Legation demanded that the Acting Governor be dismissed, his servants punished, 100*l.* paid as compensation, and apologies be offered to Mr. Kane and the Telegraph Department for the invasion of their premises by Persian officials. These demands, with some slight modification, were complied with by the Persian Government.

The Rice and Stileman Robberies.—In June the Rev. C. Rice and his wife were attacked near Shulgistan, between Ispahan and Shiraz, and robbed of most of their property. Up to the present all representations have been without result, and no compensation has been granted.

In September the Rev. C. Stileman and party were waylaid, while proceeding from Yezd to Ispahan. The robbers were captured, and the stolen property recovered.

Expulsion of Messrs. Ziegler's Agent from Yezd.—A recrudescence of the anti-Christian agitation in Yezd manifested itself in June, when Mr. Würth, Messrs. Ziegler's agent in that city, having struck a Persian boy for impertinence, was compelled to leave owing to the posting in the Bazaars of notices threatening his life. As the missionaries in Yezd became very anxious for the security of Europeans there, His Majesty's Legation made strong representations on the subject to the Persian Government, who, though order has been restored, have accorded Mr. Würth no compensation for the treatment to which he has been subjected.

Robbery of Sowars of Kerman Consulate Escort near Bunder Abbas.—In March a duffadar, two sowars, and a "langri" of the 39th Central India Horse were attacked by a band of fifteen robbers about 18 miles from Bunder Abbas, while proceeding from that port to join the escort of His Majesty's Consulate at Kerman. As they had no ammunition with them, they were not able to defend their property, which was all taken with the exception of their horses, arms, and uniform they were wearing at the time. Though the authorities at Bunder Abbas and Bushire were immediately informed, the robbers were not captured, though about a third of the stolen property has been recovered.

No compensation has as yet been paid for the articles not returned, which are valued at about 800 rupees.

27. *British Claims in Persia*, 1906.

1. Bushire claims: There are ninety unsettled claims in the Bushire district, fifty-six of which have, in the opinion of His Majesty's Legation, been proved beyond doubt. These fifty-six claims represent a total aggregate of 718,383 krans.

2. Fars claims: His Majesty's Consul at Shiraz sent in a list of forty-five claims in his district, a dozen of which have since been settled.

3. Tehran claims: There are six outstanding claims, which have been pressed unceasingly before the Foreign Office Tribunal during the past year without any result. Total amount claimed amounts to 2,500*l.*

4. Road robberies (excepting Messrs. Lynch's, which are given separately).

(1.) Gholam, of the Indo-European Telegraph Department, robbed between Soh and Kohrud. Amount claimed, 2,737 krans 10 shahis.

(2.) Elrich Birch robbery between Yezd and Kerman. Amount claimed, 2,691 krans.

(3.) Douglas-Lorimer outrage. Compensation demanded, 2,000*l.*

(4.) Sassoon's robbery between Bunder Abbas and Kerman. Amount claimed, 2,600 rupees.

(5.) Rice robbery. The Rev. Mr. and Mrs. Rice, travelling from Shiraz to Ispahan, were held up between Shulgistan and Yazdikhast and robbed of all their property. Compensation claimed, 3,307 krans. No satisfaction has been accorded.

These five claims are still unsettled.

(6.) Mr. Stileman's robbery on the road from Yezd to Ispahan. He and his party were surrounded, subjected to various indignities and robbed of property to the value of 14,888 krans. The robbers were eventually caught and the articles restored.

5. Assault of Ijlal-ed-Dowleh on Borasjun, signaller. Compensation claimed, 1,600 krans. No progress having been made towards the settlement of this very just claim, the Persian Government were informed that the compensation demanded would be deducted from the Jask royalty.

6. Claim of Mr. Vandyke for photographs supplied to the Shah (54*l.* 2*s.*), and claim of Messrs. Thornhill for goods to the value of 18*l.* 19*s.*, also supplied to His Majesty. The Ala-es-Sultaneh recognized the genuineness of these two claims, and promised verbally to get them settled in London.

7. Claim against the heirs of the late Sirdar Mukarram for guns supplied by Messrs. Andrew (33*l.*). The heirs refused to pay the money, stating that either the late Sirdar did not receive the guns or that, if he did, he paid the sum in question to the agent who delivered them. On the 24th September Ala-es-Sultaneh promised to try and get the matter settled amicably. Nothing has as yet been done.

8. Messrs. Coddington and Lamb *v.* Malik-ut-Tujjar for payment of a promissory note for 500*l.* This claim has at last been settled.

9. Assafœtida case. Amount claimed, 31,294 krans 11 shahis. No progress has been made towards a settlement of this case.

10. Claim for destruction of dispensary of Seistan Consulate during the riots of March last. The Persian Government have admitted this claim, but payment has been delayed pending the settlement of our other demands in connection with the riots. Amount claimed 100*l.*

11. Claim against Governor of Malayer for detention of a consignment of arms belonging to the Imperial Bank of Persia. Amount claimed, 150 tomans. On the 31st December, 1906, the Als-es-Sultaneh forwarded to the Legation copy of a note from the Governor, defending the detention on the ground that the muleteers had been convicted of false statements regarding the nature of the goods in question. The letter has been forwarded to His Majesty's Consulate at Kermanshah for observations.

12. In view of the fact that the Russian Government have refused to pay compensation for the losses incurred by Persians during the Baku riots, the Persian Government have likewise declined to make themselves responsible for losses incurred by Russian subjects during the Moharrem disorders at Meshed. It would appear that the goods were in the hands of Russians at the time of their destruction, and the Persian Government have made this a pretext for refusing compensation. There is little prospect of this case ever being satisfactorily settled. The amount claimed is 8,868 rupees.

13. Theft of telegraph material at Kashan: The amount claimed was 5,270 krans. The theft was due to the collusion of a farrash in the employ of the Indo-European Telegraph Department, and the Persian Government objected to being held responsible for this species of robbery. The case was not a strong one, and the Director of the Department eventually agreed to drop it.

14. Messrs. Coddington and Lamb's claim against Hassan Ali Khajour for 1,000 tomans plus interest. No progress has been made towards the settlement of this claim.

15. Assault on Sergeant Cane at Kashan: 250 tomans were claimed as personal compensation and 250 as compensation for the insult to the Indo-European Telegraph Department, the latter sum to be paid to the Director at Tehran. The personal compensation was paid, and, in view of the prompt measures taken by the Persian Government to accord satisfaction for the assault, the claim for further compensation was waived.

16. Dayer piracy case: Amount claimed, 4,400 rupees. No progress has been made in this case.

17. Mirza Abul Qassim's claim on account of the Maliyat of Jawalabad. Mirza Abul Qassim has just died, leaving a family practically destitute. It would seem, therefore, more than ever desirable that the claim should be speedily settled.

18. Messrs. Lynch's claims—

(1.) Attack on the steam-ship "Shushan." Amount claimed, 10,663 krans. The Persian Government persists in refusing to pay compensation on the ground that the Arabs guilty of the attack are Ottoman subjects. This is the case; but it has been pointed out to the Persian Government that they cannot divest themselves of responsibility for a robbery committed within their territory at a distance of 50 miles from the

frontier. The matter is forming the subject of negotiations between the Ottoman and Persian Governments.

(2.) Destruction by Kum Seyyids of Messrs. Lynch's toll-house at Kasr Dokhter and robbery of tools, &c. Amount claimed, 1,019 krans 95 cents. This claim is still unsettled.

(3.) Robbery of caravan at the Orchini Pass in the beginning of December 1905. Compensation (6,720·30 krans) was paid to Messrs. Lynch in July 1906.

(4.) Caravan robbery at Dehdiz on the 9th July, 1906. Amount claimed, 71,999·30 krans. The Bakhtiaris refuse to accept responsibility for losses incurred through robbery committed by Kuhgulu tribesmen. The Persian Government state that they are pressing the Khans in the matter.

(5.) Robbery of goods at Khar Varamin. Amount claimed, 1,500 krans. This case is still unsettled.

28. *Ismail Yezdi Case.*

No progress has been made towards the settlement of Ismail Yezdi's claim against the Imperial Bank. The point now at issue is the interpretation to be attached to the wording of the third clause of M. Defrance's Award, in which it is laid down that, "le montant de l'indemnité à verser par la Banque à Mohammed Yezdi du chef de la saisie de sa maison sera établi de la façon suivante: l'Imam Djoumah de Yezd fixera d'après les usages locaux, la valeur locative maximum annuelle de l'immeuble. . . . . ." The valuation of 250 tomans made by the Imam Jameh is considered by the Bank to be grossly exaggerated, and therefore not in accordance with "local usage" as required by the Award. Inquiries show that the real rent of the house in question is between 30 tomans and 40 tomans, but although Mr. Grant Duff, on instructions from the Foreign Office, has offered to calculate the rent at 100 tomans, to which the Bank has agreed, the Persian Government has refused the offer on behalf of the claimant. The Foreign Office, however, have expressed the opinion that if it is found impossible to induce the Persian Government to see the absurdity of the valuation made by the Imam Jumeh, it may become necessary to advise the Imperial Bank to pay the original sum demanded (*i.e.*, 9,750 tomans) in respect of the seizure of the house.

29. *Bakhtiaris.*

As was mentioned in the Report on the events in Persia in 1905 the intrigues which Hadji Ali Kuli Khan had been carrying on in Tehran against his cousins were crowned with success, and he was nominated Ilkhani of the tribe in February 1906. The success was, however, short-lived, for, on his return to Luristan, he found that his appointment by the Shah was disregarded by the tribesmen, and that he must perforce come to some arrangement with the Samsam-es-Sultaneh and Shahab-es-Sultaneh. There was at first some talk of submitting the case to Mr. Grant Duff's decision, but a private arrangement was eventually reached by which Hadji Ali Kuli Khan (Sardar Assad) and his brother, Khosru Khan (Sahar-i-Arfa) resigned their claims in favour of Samsam-es-Sultaneh and Shahab-es-Sultaneh, probably for a monetary consideration, and the two latter have thus regained their positions as Ilkhani and Ilbegi of the tribe.

The Persian Government still pursue their favourite policy of keeping the Bakhtiaris on bad terms with their neighbours, by refusing to allow the Khans to cross the frontier in pursuit of robbers who have committed raids on caravans in the Bakhtiari country. There has been an attempt made to settle one source of bad blood between the Bakhtiaris and the Sheikh of Mohammerah, *i.e.*, that over the question of the Government of Behbehan, and an agreement was reached in January 1907 by which the administration of the place is held by the two parties jointly, a Bakhtiari Khan being appointed Governor of Behbehan.

30. *Bahrein.*

The Persian Government still assert their sovereignty over these islands, basing their claim on the agreement arrived at between Captain Bruce and the Prince of Fars in 1822, an agreement which was disavowed by the Government of Bombay, and also, there is some evidence to show, by the Persian Government itself. Correspondence

continues on the subject, but meanwhile the Persian Government refuse to recognize our right of interference on behalf of Bahreinese.

31. *Arms for Meshed Consulate General.*

Advantage was taken of the obvious necessity of taking measures for the protection of the Consulate at Nasretabad after the Seistan plague riots to bring the arms and ammunition intended for the Consulate-General at Meshed as far as the former place. Thence the weapons have been forwarded as opportunity offered in small consignment so as to avoid the notice of the Persian authorities. Some have already reached Meshed and the remainder are at Turbat-i-Haidari.

32. *Biographical Summary*, 1906.

The following are some of the principal persons, in alphabetical order, who played a more or less prominent part in the politics of the country during the year under review:—

[*Note.*—The numbers in brackets refer to the printed Biographical Notices of August 1905.]

1. Seyed Abdullah Mujtehed (No. 290).—The principal Mujtehed of Tehran. Took a prominent part in the Reform movement. Left for Kum in July, in protest against Ain-ed-Dowleh's attitude towards Reform party, which had brought about serious riots and some bloodshed. Returned to Tehran in August, after the Shah had agreed to formation of a National Assembly. Is very corrupt, and his activity is chiefly directed by personal motives and a desire to bring back Amin-es-Sultan. Regularly attends the meetings of Assembly, and takes prominent part in the debates.

2. Ain-ed-Dowleh (No. 11).—Was Grand Vizier, with title of Atabeg-i-Azam, until dismissed, July 29th, after holding office nearly three years. Unscrupulous and mendacious; hated Europeans. Whole object, apparently, to amass money. Left country in very much worse state than he found it. Retired to estates in Khorassan. Much disliked by Mohammed Ali Shah, who will probably force him to give up some of his ill-gotten gains.

3. Ala-ed-Dowleh (No. 19).—Governor-General of Fars, June until November. A man of strong character, and eminently fitted to deal with turbulent tribes. Restored order in Fars, which had suffered by misrule of Shoa-es-Sultaneh, but recalled in consequence of latter's intrigues, despite joint support of British and Russian Ministers. Appointed Minister of Court by Mohammed Ali Shah.

4. Ala-es-Sultaneh (No. 21).—Over sixteen years Minister in London. Appointed Foreign Minister in September. Of a retiring disposition, quiet and discreet. Over 65 years of age.

5. Amir Behadur Jang (No. 46).—Minister of the Court, Chief of the Body-guard, and Privy Purse to the late Shah. By far the most influential person at Court during the latter years of the late Shah's reign. Amassed great wealth at the nation's expense. A Reactionary, much hated by the Reform party. Extremely ignorant and fanatical. Endeavoured to bring about succession of younger son to throne. On accession of Mohammed Ali Shah was immediately cast aside and deprived of all Court offices. Is likely to be made to give up some of his plunder.

6. Amin-es-Sultan (No. 60).—The most interesting figure in modern Persian politics. Was Grand Vizier until September 1903, with the title of Atabeg-i-Azam. Concluded two large Russian loans aggregating over 3,000,000*l.*, and in 1902 concluded new Commercial Tariffs with Russia and Great Britain. After dismissal in 1903 proceeded on tour round the world, and is still living in Europe. His return to Persia is now expected.

7. Amin-uz-Zerb (No. 45).—A wealthy banker and merchant of Tehran, who took a prominent part in Reform movement. Was elected Deputy, and subsequently Vice-President of National Assembly.

8. Assef-ed-Dowleh (No. 58).—Appointed Governor-General of Khorassan in 1904, and still holds the post. Has a very bad record as provincial Governor, and practises extortion to the utmost. Is in partnership with the Mushir-ed-Dowleh, by whom he is protected. The National Assembly drew attention to his proceedings early in their debates.

9. Firman Firma (No. 102).—Governor of Kerman. One of the worst provincial Governors ever known. Openly practises extortion on a large scale, by which means he has accumulated considerable wealth. Was for a short time Minister of War, but has been exiled from Tehran during the greater part of the late Shah's reign.

10. Jellal-ed-Dowleh (No. 176).—Eldest son of the Zil-es-Sultan. An old friend of the British Legation. Governor of Yezd for several years, where he was a success. His mother and the Shah's mother were sisters, the daughters of Amir Nizam, the famous Prime Minister of Naser-ed-Deen Shah, who was murdered at Feen. Expected to receive a high office under the new Shah, but was disappointed.

11. Kawam-ul-Mulk (No. 196).—Is descended from Etemad-ed-Dowleh, Fath Ali Shah's Prime Minister, who helped Agha Mohammed Shah to overthrow the Zend dynasty at the end of the eighteenth century. Has great influence and power in Fars, where he owns much property. Kept at Tehran as a hostage during the year, and placed under arrest for supposed opposition to Shoa-es-Sultaneh's plans for acquiring Crown lands there; heavily fined, and released.

12. Seyed Mohammed Mujtehed (No. 299).—Ranks with Seyed Abdullah, with whom he took joint action in the Reform movement. His motives are reputed to be disinterested. Retired with the others to Kum in July. Attends the sittings of the National Assembly, and takes part in the proceedings.

13. Mohammed Ali Shah (No. 538).—Born 21st June, 1872. Succeeded to the throne 8th January, 1907. Crowned 19th January, 1907. Was during his father's reign Governor-General of Azerbaijan. Acted as Regent during late Shah's absence in Europe 1905. Called to Tehran December 1906. Countersigned the Persian Constitution 30th December, 1906, and declared himself in favour of a constitutional form of Government. Apparently has inherited the administrative qualities of his maternal grandfather, Amir Nizam, the first Grand Vizier of Nasir-ed-Deen Shah, though the Province of Azerbaijan was by no means well governed during his ten years administration. He is not likely to commit the same faults as the late Shah, though he may go to the opposite extreme and bring about discontent by his excessive greed and duplicity. He allowed the Russians to obtain a predominant position in Azerbaijan by borrowing their money and using their agents. His manner in public is reserved to the verge of incivility, due partly to nervousness, but in private he unbends and shows agreeable manners. He is not amenable to the influence of his courtiers. His only wife is the daughter of his uncle, Naib-es-Sultaneh, and her son, Sultan Ahmed Mirza, has been proclaimed Crown Prince, to the exclusion of an elder son by a concubine.

14. Mohtashem-es-Sultaneh (No. 271).—Under-Secretary of State for Foreign Affairs until November 1906, when he was appointed Minister in London. Was Secretary of Legation at Berlin and Consul-General in Bombay. Accompanied the ate Shah to Europe 1906. Has agreeable manners. Speaks French.

15. Muayed-es-Sultaneh (No. 245).—Was educated at St. Cyr. Was Minister in Berlin 1886 to 1900. In 1904, when the ex-Grand Vizier, Ain-ed-Dowleh, endeavoured to organize a reform of administration, and appointed him Under-Secretary for the Interior, he submitted his views on political questions in the form of a "Memorandum," a translation of which was transmitted in Sir A. Hardinge's despatch No. 49, Secret, of the 4th March, 1905. He travelled in Europe during 1905, and endeavoured to interest some European capitalists in some petroleum Concessions in Ghilan and Mazanderan owned by Sepahdar. He is closely in touch with German interests in Persia.

16. A....-ef-Tujjar (No. 283).—A prominent merchant owning property in the south of Persia, and with large vested interests there. He enjoys the support of the Mushir-ed-Dowleh, with whom he is said to work in partnership. He took a prominent part with Amin-uz-Zerb in the Reform movement, and was elected a Deputy.

17. Mushir-ed-Dowleh (No. 344).—Was Foreign Minister from 1899 to 1906, when he was appointed Sadr Azam. He has risen step by step from obscurity to the highest rank in the Shah's gift. His methods are purely selfish, and he has pursued a policy of passive resistance with conspicuous success so far. He used the Russian loan policy of the Amin-es-Sultan to further his own interests irrespective of those of his country. He endeavours to remain on good terms with every one and avoids open conflict by all means in his power, though his actions, carefully masked by others, may be of a most unfriendly nature. He has never been out of Persia and has received no education. He is about 60 years of age, and is likely to continue to play his part for many more years.

18. Mushir-ul-Mulk (No. 345).—Eldest son of Mushir-ed-Dowleh. Appointed Minister at St. Petersburg in 1902. Was in Tehran during the whole of 1906 and assisted his father to deal with the difficult situation created by the constitutional movement. He entered the camp of the Reform party and helped to draft the various documents granting a National Assembly, which was signed by Muzaffer-ed-Deen Shah.

19. Nair-es-Sultaneh (No. 388).—The late Shah's younger brother, and father-in-law of Mohammed Ali Shah. Appointed Minister of War, March, 1906. Took no part in the politics of the country during the year under review or during Muzaffer-ed-Deen Shah's reign but is likely to do so now.

20. M. Naus.—Minister of Customs and Posts and "gérant la trésorerie générale." The Reform movement, which was so prominent a feature of the year under review, was in part the illogical consequence of the personal enmity of Saad-ed-Dowleh to M. Naus. The former began his campaign at the end of 1905, and early in 1906 M. Naus, who had been obliged to leave the country temporarily, obtained, with the help of the Russian Legation, his opponent's banishment from the capital. The work had, however, been done, and the developments, though unexpected, may possibly achieve Saad-ed-Dowleh's aim, which is to rid Persia of M. Naus and the Belgian Administration. He accuses M. Naus and his subordinates of peculation and various forms of dishonesty, and the National Assembly is pursuing a hostile policy towards him mainly directed by Saad-ed-Dowleh.

21. Nizam-ed-Dowleh (No. 414).—Was Governor of Urmia during the early unsatisfactory phases of the Labaree murder case, but was removed from his post after the attack on His Majesty's Consul in consequence of strong pressure brought on the Persian Government by the British and United States Governments. An attempt was made by the Mushir-ed-Dowleh, in an underhand manner, in November to send him back to Urmia as Governor, with wide powers on the western border, but was fortunately frustrated, though with some difficulty, by the joint efforts of the two Legations interested.

22. Nizam-es-Sultaneh (No. 417).—Has amassed great wealth and possesses considerable property in southern Persia and on the Karun River. Has held important Governorships, including Fars, Arabistan, Luristan, and Azerbaijan, the latter on two occasions under the present Shah. Appointed Governor-General of Fars in December 1906, but is still in Tehran. Is about 70 years of age. His only son, Mirza Hussein Khan, was for some time at Harrow. Showed unfriendliness to British interests while Governor of Arabistan in 1894, which led to diplomatic pressure by Sir M. Durand, and his removal from that post. His attitude has since been friendly.

23. Saad-ed-Dowleh (No. 438).—Was Minister at Brussels, 1892–1902. Minister of Commerce, 1905. Exiled 1906 to Yezd, where he took refuge at His Majesty's Consulate. Returned to Tehran in November and took his seat as member of the National Assembly. (For further particulars *see* No. 20.) His opposition to M. Naus is likely to lead to complications in the future.

24. Salar-ed-Dowleh (No. 466).—The late Shah's third son. A headstrong youth who aimed at attaining semi-independence among the wild tribesmen of Luristan, with which object he married the daughter of the Chief of Pusht-i-Kuh. He was appointed Governor of Luristan early in the year, and made a feeble attempt to arm some tribes with the object, apparently, of defying his elder brother, the present Shah, when he succeeded to the throne. His followers were, however, dispersed by other tribesmen, and he is now powerless.

25. Sani-ed-Dowleh (No. 476).—President of the National Assembly. Son of the late and brother of the present Mukhber-ed-Dowleh, so long connected with the Administration of Telegraphs. He was educated at Berlin. When the British Legation was invaded by refugees in July, deputations were sent secretly to Sani-ed-Dowleh, who formulated for them the idea which they had only vaguely formed of a Constitution with the object of reform. He was unanimously chosen to be their President, but, subsequently, was accused of too moderate a tone. His avowed policy is moderation, and he deprecates the more extreme views advocated by Saad-ed-Dowleh, his principal opponent.

26. Sepahdar (No. 403).—Formerly Nasr-es-Sultaneh. Was Governor of Resht from 1899 to 1903. Appointed Minister of Telegraphs April 1906. Owns property in Ghilan and Mazanderan, and obtained Concessions for the working of petroleum deposits in his own estates in these provinces. Commands several regiments recruited from his villages. These men took a prominent part in suppressing the outbreak of July by shooting down the people, for which he incurred odium. Is very outspoken and openly expresses his contempt for Reform movement.

27. Shoa-es Sultaneh (No. 509).—Second son of the late Shah. Showed much hostility to the present Shah during their father's lifetime. When Governor of Fars, 1901 and 1904, was so oppressive to the people that he was forced to leave the province on both occasions, and the foreign Legations were obliged to interfere. Endeavoured to obtain Crown lands in Fars which had been given to the people, and thereby raised complicated questions which are not yet settled. His evil influence over the late Shah gave much trouble. He is not likely to be a factor in the political situation any longer.

28. Zil-es-Sultan (No. 567).—Elder brother of the late Shah. Governor of Isfahan during the ten years of his late brother's reign. Supported by His Majesty's Government. The friction which exists between His Highness and the present Russian Consul-General at Isfahan is likely to cause His Majesty's Legation some trouble. The present Shah is well disposed to his uncle. The Zil-es-Sultan in 57 years of age.

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